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THE DEVELOPMENT OF NATIVE CAPITAL IN TEXAS,
1850 TO 1860



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THE DEVELOPMENT OF NATIVE CAPITAL IN TEXAS
PRAIRIE VIEW AGRICULTURAL AND MECHANICAL COLLEGE

Studies in History

By

William Charles Akins

Studies in the history of the Economy of Texas and the
Southwest

A Thesis in History Submitted in Partial
Fulfillment of the Requirements for the Degree of

No. 1

Master of Arts

The Development of Native Capital in Texas,
1850 to 1860

of

William Charles Akins

Prairie View Agricultural and Mechanical College

Prairie View, Texas

August, 1961

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THE DEVELOPMENT OF NATIVE CAPITAL IN TEXAS
1850 TO 1860

This Thesis for the Master of Arts Degree

By

William Charles Akins

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1963

A Thesis in History Submitted in Partial
Fulfillment of the Requirements for the Degree of

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Master of Arts

In The

Graduate Division

of

[REDACTED]

Prairie View Agricultural and Mechanical College
Prairie View, Texas

August, 1963

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I wish to express my sincerest appreciation and gratitude to those who have so generously given me their assistance. This Thesis for the Master of Arts Degree at the University of North Carolina at Chapel Hill, my graduate advisor, under whose direction this work was undertaken, for his good counsel, patience, guidance and scholar.

William Charles Akins

has been approved for the

Department of History

by

Chairman

William C. Akins

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I wish to express my sincerest appreciation and gratitude to those who have so generously given me their assistance. First, I wish to acknowledge Dr. George R. Woolfolk, my graduate advisor, under whose direction this work was undertaken, for his good counsel, patience, guidance and scholarly advice. Others to whom I am grateful are: The Honorable Robert S. Calvert, Comptroller of Texas, and his staff, for permitting me to use at length the state tax records. Mr. James Day and his staff of archivists at the state library for making available government documents, census records, original letters and data along with their extensive sets of microfilms. The librarian and staff of the Barker Library, for making available their extensive collection in Texas history. The Rosenberg Library and staff, of Galveston for making available the "William's Papers." The University of Texas Library and Archives, for enabling me to use the "Devereux Diary" and other primary sources. The W. R. Banks Library, Prairie View College, for valuable assistance and the Public Record Office, London, England, for microfilmed consulate reports. To my wife Estelle, I am deeply indebted for her inspiration and tireless efforts in assisting me in compiling the data for this manuscript.

William C. Akins

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CHAPTER I

INTRODUCTION

The writer, having a desire to know more of the underlying facts relating to the Texas economy and the nature of the native capital present in our illustrious state before the Civil War, has engaged in the following investigation. The concern of the study is directed toward industrial relatedness in our state at a time when agrarian pursuits were supposed to have been dominating.

Our historical observations are focused upon the vast change that occurred between the years 1850 to 1860. Being interested in Economics or Business history, I believe that most of our problems stem from an economic base, that are usually solved with progressive innovations. In this case, the innovation is passing from an agriculturally oriented economy to a commercially oriented economy.

Realizing that Economic history provides a clear and comprehensive approach to understanding events and occurrences, I have attempted the following study.

Statement of the Problem

The problem of this study arises out of a question concerning the economic value of slavery to the general economy of the Agrarian South.

The question is: Did slavery freeze the capital of the planter or drain away the capital of the South and thus destroy opportunity for expression of the creative entrepreneurial impulse?¹ Scholars who have written on the economic advantages and disadvantages of slavery express many and varied opinions.

Phillips states, "The economic virtue of slavery lies wholly in its making labor regular, secure and mobile."²

Flanders relates, "Slaves were not only capital; they were also labor and here in lies the weak point of the whole system, since the production of one was at the expense of the other."³

Gray writes:

From the standpoint of the employer, slavery provided a stable labor supply. Barring ordinary accidents and sickness, their laborers' services were always available, an important advantage in large scale farming. There was possibly a certain degree of economic inelasticity at harvest time where there was little surplus labor except children, and slave labor flowed less readily than free labor to the type of employment promising greatest economic opportunity, due partly to lack of diversity in the Negro's economic experience, partly to the difficulties in transferring the capital values of the slave labor.⁴

¹G. R. Woolfolk, "Cotton Capitalisms and Slave Labor in Texas," Southwestern Social Science Quarterly, Vol. 37, No. 1 (June, 1956), p. 49.

²Ulrich B. Phillips, American Negro Slavery (New York, Peter Smith Co., 1952), p. 305.

³Ralph B. Flanders, Planters Slavery in Georgia (Chapel Hill: University of North Carolina Press, 1935), p. 214.

⁴Lewis C. Gray, History of Agriculture in the Southern United States to 1860 (New York: Peter Smith Co., 1941), p. 550.

Smith says:

An examination of the system strictly from an economic point of view, excluding political and humanitarian consideration, suggests however, that slavery was operating in the South strictly on an economic sufficient basis.⁵

Smith also advocates a consumptive productive theory; he questions himself by asking, was slavery an economic burden to the South? It was the wide difference between what the slave consumed and what he produced that made slave-holding profitable before the war.⁶

Kirkland advocates a fixed capital theory; slaves' firms dealt in slaves as a business; purchasing agents journeyed through the country with an eye on Negroes between ten and thirty years of age. They were bought and moved south. Since so much was tied in slaves there was nothing left to invest in other enterprises.⁷

Rupert, after investigating several select plantations concluded that slavery was profitable.⁸

To further illustrate how much value some planters placed on slavery, Bancroft states, planters were proverbially impatient to mortgage their crops to buy more

⁵Robert W. Smith, "Was Slavery Unprofitable in the Antebellum South?" *Agricultural History* (Vol. 20, No. 2 Jan., 1946), pp. 62, 64.

⁶*Ibid.*, p. 63.

⁷Edward C. Kirkland, A History of American Economic Life (New York: F. S. Crofts and Co., 1941), p. 195.

⁸Norvel R. Rupert, Texas The Lone Star State (New York: Prentice-Hall, Inc., 1943), p. 220.

slaves to make more cotton to buy more slaves.⁹

And thus some say that slavery was economically advantageous, while others soundly repudiate the institution because of its extreme economic decadence. Both groups, however, seem to agree that the institution tied up the existing capital and destroyed the opportunity for industrial and commercial pursuits.

Scope

This study covers the pre-Civil War era in Texas from 1850 to 1860, with special emphasis upon the 1855 to 1860 period. This period was chosen because, within it, the sovereign state of Texas began shifting from simple agrarian pursuits to fruitful commercial and industrial pursuits. The decade preceding the Civil War was highlighted by political conflicts, the quest for internal improvements, the slavery controversy and a general quest for economic security on the part of native citizens and immigrants as well.

It was during this period that native capital and entrepreneurial ventures were noticeably coming to the fore front.

Method and Sources

For the purpose of making this study clear, precise

⁹Frederick Bancroft, Slave Trading in the Old South (Baltimore: J. E. Furst Co., 1931), p. 547.

and coherent to the reader, the topical method is used. The method used involves the division of five market centers grouped into three sections of our state.

The manufacturing, mercantile and banking interest of the state has been traced along the trade routes into these market areas. A thorough review of agricultural, commercial and manufacturing patterns in the larger state counties, has been made. The state tax records, the United States agricultural census, the United States products of industry census, private letters, papers, reports and diaries were used extensively. Other sources used included historical publications, journals, newspapers, biographies and rare books.

The main source of information comes from the primary data obtained through the State Comptroller's Office of Public Accounts, Austin, Texas; the Texas State Library Archives Division, Austin, Texas; The Barker Memorial Library and Archives, Austin, Texas; the Public Office, London, England; and the Rosenberg Library, Galveston, Texas.

Definition of Terms

Agrarian Pursuits: Pursuits that are organized or designed to promote agricultural interest such as farming or producing from the soil.

Commercial Pursuits: Pursuits that render profits from mercantile and business interest by buying and selling or trading.

Merchandiser: Those who engage in buying and selling goods by retailing or wholesaling goods.

Small Capital: Small amounts of finance owned by persons used to engage in small buying, selling and sometimes lending.

Money Lenders: Persons who lend small sums of money to desirous persons at varied rates of interest.

Entrepreneur: One who assumes the financial and administrative risks involved in managing a business.

Personal Property: Personal property for the purposes of taxation, was construed to include all goods, chattels and all moneys, credits, bonds and other evidence of debt.

Plantation Economy: A term referring to the procedures carried on by the planters in their attempts to obtain the material means to satisfy their wants and needs.

Value: The term "true and full value" wherever used was held to mean the fair market value, in

cash, at the place where the property to which the term is applied shall be at the time of assessment, being the price which could be obtained therefore at private sale, and not at forced or auction sale.

Liquid Capital: Asset in cash or easily convertible into cash.

Economy: The management of the affair of a group, community or establishment or section with a view of insuring its maintenance or production.

Slavery: Slavery is defined as the state of entire subjection of one person to the will of another. The term implies the relation of two persons in the character of master and slave, the former being defined as one who has another or others under his immediate control and the latter is a person who is the chattel or property of another and who is wholly subject to his will, a bond servant, a serf.

Manufacturer: One who produces goods either by the process of making the goods by hand or machinery. One who is responsible for the over all production.

Empresario: An agent who was to introduce not less than

two hundred families and settle within specified limits. The agent was to receive a premium of three "haciendas" (66.426 acres) and two labors (354 acres) of land for each two hundred families, up to a maximum of nine "haciendas" and six labors for six hundred families.

Hypothesis

With great respect for the literary achievements, attainments and progress made by scholars in the field of plantation economy, I must accept and agree that slavery and agrarian pursuits controlled and dominated the economy of the South. However, after careful examination of the prevailing industrial trend in Texas, I contend that the slavery economy did not freeze or drain away all the capital of the South, but rather provided a base for commercial and small industrial ventures. I further contend that the institution of slavery, as horrible as it was, did not destroy the entrepreneurial impulse inherent in many Texans, during the pre-Civil War period, for small industrial and commercial ventures came into being. Texans began to amass native capital and considerable wealth through money lending, small merchandising and fledgling manufacturing.

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OUTLINE MAP OF THE UNITED STATES
JUNE 1, 1950
BY U. S. DEPARTMENT OF AGRICULTURE



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TEXAS COUNTIES
1860

10

DATE
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CHAIRMAN

SCALE
0 10 20 30 40 50 60 70 80 90 100 MILES

CHAPTER II

THE ERA OF AGRARIAN CAPITAL

HISTORICAL BACKGROUND

The Economic base of Texas has been predominately agricultural since the days of Moses and Stephen F. Austin. The most persistent realization underlying the development of the Texas economy has been the agrarian nature of our society. The products of the soil have long supplied the foodstuffs and capital necessary for mankind's survival in our state. From the beginning of Anglo-American settlement it was agreed generally that the immediate economic advancement of Texas was primarily contingent upon cotton production and other farm pursuits.¹ This is presumably true because of the easy accessibility of free land.

Between 1836 and 1846, tide after tide of immigrants coupled with natural increase, was to more than quadruple the population of the Republic. The immigrant population at the end of 1835 according to the most authoritative estimate, was between 25,000 and 30,000, including 3,000 to 4,000 Negroes, but not accounting for an undeterminable number of Mexicans.² In 1847, the incomplete return of

¹ W. R. Hogan, The Texas Republic: A Social and Economic History (Norman, Oklahoma: University of Oklahoma Press, 1946), p. 10.

² Ibid., p. 12.

the first state's census showed a population total of about 147,000, including 39,000 Negroes, approximately 300 of whom were free. Three years later the first United States Census in Texas was taken; it affords significant data concerning the origin of the inhabitants--though it does not indicate the place from which settlers had migrated. According to the Census of 1850, Texas had a population of about 212,000, including 58,000 slaves.³ Nearly a third of the 154,000 white persons and free Negroes were natives of the state itself.⁴ According to Frederick Jackson Turner, immigrants from Kentucky, Tennessee, and Missouri, where slavery was less extensive in proportion to population, surpassed those of distinctly slave holding states in coming to Texas.⁵

There was also a large contingent of Foreign born population coming to Texas most of whom were Germans. The German settlement included the towns of Fredericksburg, New Braunfels, Brenham, Bastrop, Rutersville, and Castroville.⁶ Olmstead relates that there were 35,000 Germans

³ United States Bureau of Census, Seventh Census of Texas: 1850, Population.

⁴ W. R. Hogan, op. cit., p. 10.

⁵ Frederick J. Turner, The United States, 1830-1850; The Nation and its Section (New York: Prentice-Hall Co., p. 357.

⁶ Robert Sturmburg, History of San Antonio and the Early Days in Texas (San Antonio, Texas: Standard Printing Co., 1920), p. 14; Melinda Rankin, Texas in 1850 (Boston: Damrell and Moore Co., 1850), p. 196.

in Texas by 1857, of whom 25,000 are settled in the German and half German counties of Texas. Comal, Gillespie and Medina were considered all German, while Victoria, Colorado, Calhoun, Bastrop and Bexar were said to have about one half German population. The counties of Caldwell, Travis and Fayette are considered about one-third German population.⁷

One of many prominent German personalities immigrating to Texas was Prince Carl-Solms Braunfels, a wealthy nobleman who set out for Texas in 1844, accompanied by a wily Frenchman named D'Orvanne to prepare for the first load of emigrants as a land agent. Colonizer Solms found a place in Calhoun County and called it "Carl Haven;" later called Indianola, a predominately German settlement.⁸ Another foreign colonizer of nobility was Baron De Bastrop, of Prussia who was connected with the Austin colonization program serving as commissioner and is noted for having formed Bastrop County.⁹ Henri Castro, another foreigner of Portuguese descent, brought in several hundred Alsatians, some Swiss and Germans to his grant of land on the Medina River west of San Antonio. Despite extreme hardships and sickness suffered by many

⁷ Frederick L. Olmsted, A Journey Through Texas (New York: Dix Edwards and Co., 1807), p. 38.

⁸ Historical Review of South-East Texas (Chicago: Lewis Publishing Co., 1910), p. 360.

⁹ D. W. Baker, A Texas Scrap Book (Austin, Texas: Steck Co., 1935), p. 266.

of his settlers before reaching their destination, he managed to establish Castroville, a town with a rather distinct European Flavor.¹⁰

Most immigrants were attracted to the Republic by governmental offers of large quantities of land to citizens. Under a provision of the Constitution of 1836, all who were in Texas at the time of the declaration of independence from Mexico, were entitled to extensive head-rights, the head of a family was allowed a league (a Spanish land measurement of 4,428 acres) and labor (177 acres), while an unmarried man who had reached the age of seventeen received one-third of a league. This gave settlers who had not located their holdings the same amount of land that ordinarily had been allowed under the Mexican regime, with the exception of the increase from one-fourth to one-third league for bachelors. Later, however, new arrivals received smaller grants, divided into blocks similar to those in the public lands of the United States. The head of a family migrating to Texas between March, 1836 and October, 1837, was allowed 1,280 acres, while a single man received 640 acres; there after until the end of 1841, these grants were reduced by one-half.¹¹ The land law of 1841 and supplementary acts also authorized the restoration of the Mexican practice of

¹⁰W. R. Hogan, op. cit., p. 11.

¹¹Ibid., p. 11.

making grants of premium lands to specified individuals called "empresarios." These persons were induced to secure a required number of immigrants to settle in certain frontier areas. These and other practices were implemented in order to induce rapid settlement in our state.¹²

Disturbed political conditions in Europe and hard times in the United States following the panic of 1837, caused many thrifty people to look for a new home, and the glowing accounts of the richness of Texas land and the ease with which it could be acquired attracted about 7,000 people annually to the new Republic. Steamboats, ships and wagons came crowded with settlers for the young and growing Republic. Most of these had strong attachment to the soil. Although many settlers were penniless and seeking new opportunities, there were those who came to invest and speculate.

One wealthy aristocratic settler was Colonel Jared B. Groce, a successful and wealthy planter from Virginia, who after operating large plantations in South Carolina, Georgia and Alabama brought one-hundred slaves to the Brazos River in January, 1822. As the procession of his slaves, cattle, and other possessions passed through the villages of Alabama and Mississippi on the way to Texas

¹¹ Ibid., p. 11.

¹²

Lewis W. Newton and Herbert P. Gambrell, A Social and Political History of Texas (Dallas, Texas: Southwest Press, 1932), p. 198.

via New Orleans, people watched it with open mouthed astonishment from New Orleans, where supplies and implements of all sorts were purchased. The party embarked for Texas, arriving in 1822. The Colonel had selected his homesite on the Brazos, four miles south of the present town of Hempstead. This was called by the Colonel "Bernardo" a massive structure that resembled in almost every detail the great slave estate of the Old South.¹³

Although thousands were about to settle on land without difficulty, others had complications. These complications arose under the empresario contracts. Speculators, the holders of land grants and unlocated headrights, prominent politicians and squatters, demanded the nullification of these contracts, chiefly on the grounds of illegality and non fulfillment.¹⁴ Even when sound titles could be secured, the puzzling question of the most advantageous location of settlement still confronted new arrivals. Many emigrants were enticed into various parts of the state by emigrant guides put out by land agents and speculators.¹⁵ Most advertisements appealed to the farmers and stock raisers. The fertile Texas soil, however, provided good copy for the writers

¹³ Ibid., p. 109.

¹⁴ Nancy E. Eagleton, "The Mercer Colony in Texas, 1844-1883," Southwestern Historical Quarterly, Vol. XL, No. 2 (Oct., 1936), pp. 114-116.

¹⁵ W. R. Hogan, op. cit., p. 12.

and advertisers. Melinda Rankin states:

An important observer of the comparative merit of Texas with the other states, might with much propriety recommend it as presenting advantages worthy of the attention of the adventurous and enterprising. The fertile lands with which the state abounds, offer perhaps, greater encouragement than any other department of enterprise, hence the emigrant who turns his attention to the cultivation of the soil is undoubtedly making the wisest selection. This being an inexhaustible source of wealth can be relied on with greater confidence than any other. The acquisition of industrious and enterprising occupants of the productive soil of Texas would do more in advancing the state to wealth than any other means.¹⁶

Olmsted, in describing the staples of Texas, states, "He (a Texan), confines the imports of his plantation almost entirely to slaves, corn, sugar, molasses, tobacco and plow-iron."¹⁷

Ralph Steen relates that during the period of the abundant land, most of the people of Texas lived on farms and plantations. There were many small farms each of which supported a single family. In addition, there were a number of farms owned and operated by persons who owned many slaves. Some of the larger plantations covered thousands of acres of rich land and were communities within themselves. Corn and cotton were the chief crops grown in Texas at this time.¹⁸ It was thought that the rich prairie lands were not suited to farming and people

¹⁶ Melinda A. Rankin, Texas in 1850 (Boston: Damrell and Moore Co., 1850), p. 208.

¹⁷ Frederick L. Olmsted, op. cit., p. 8.

¹⁸ Ralph Steen, History of Texas (Austin: Steck Co., 1939), p. 273.

who lived on these lands raised cattle, thus laying the foundations for the cattle industry which was later to be important in Texas. Since Texas was an agricultural state, it is not surprising to learn that during this period, the value of taxable property increased by leaps and bounds.¹⁹

W. C. McCarty states, "this state presents to the emigrant a greater versatility of climate than any other state in the union. He can choose from the vast wheat fields of the Red River to the sugar lands and fruits of the tropics; from the cotton fields of the Eastern, to the cattle lands of the Western portion of the state."²⁰

Hence, land was cheaper and the soil was better than in most other southwestern states. Because it was the best area in this section of the country, it costs much less to winter the cattle in barns and sheds; here the climate was so mild that it costs but little. On the great open prairies, you could herd or pasture your cattle about ten months in the year with but little expense or trouble.²¹ No where else in the United States could cattle be raised so profitably as here. Because it was better favored in soil, climate and agri-

¹⁹Ibid., p. 274.

²⁰W. C. McCarty, A Few Practical Remarks About Texas (New York: Great American Engraving Co., 1871), p. 23.

²¹Ibid., p. 24: Lewis Newton and Herbert Gambrell, op. cit., p. 196.

cultural resources than any other state. One could raise all the great staples here. One could produce the finest fruits, delicious grapes, costly wines, golden syrup, fine sugar, beautiful cotton, corn, wheat, rye, tobacco, hemp, tropical fruits, and find a superabundance of all kinds of game. McCarty further states that the opportunity for the young, hearty and enterprising are in Texas.²²

Realizing that the opportunities were present in our state, emigrants continued to come by open wagon, schooners, wagon trains, carriages and stage coaches.²³ The prospects for cotton and corn crops, always of paramount interest, was the state's basic source of revenue, a fact that leads the writer to believe, that agriculture provided the rudimentary avenues for industrial, commercial and banking advances that were later to come.

Commercially during the Republic, Texas enjoyed the fruits of engaging in trade with several foreign countries. The government, very anxious to establish consular service, set up consulates in practically all of the leading commercial cities of Europe. A consul was appointed to Marseilles before a treaty of commerce with France was completed. Other consulates in France were

²²W. C. McCarty, op. cit., p. 25.

²³W. R. Hogan, op. cit., p. 66.

established at Paris, Bordeaux, Cette, Rouen, Bayonne and Harve.²⁴

In England, the cities of London, Liverpool, Glasgow, Plymouth, Falmouth and Dublin afforded us consulate opportunities.²⁵ William Kennedy and Arthur Lynn of England, headed the English consulate at the Port of Galveston.²⁶ Other Texas consulates were established in the Netherland cities of Amsterdam, Rotterdam, and Antwerp.²⁷

The Hanse Towns also exchanged consular service with Texas, with most of the consuls residing in Galveston, Indianola, and Brownsville.²⁸

Of all the European countries, England was the one most involved in the affairs of Texas. Her commercial, financial and political interest in this area was quite

²⁴ Alma H. Brown, "Consular Service of the Republic of Texas," Southwestern Historical Quarterly, Vol. 33, No. 4 (1930), p. 312.

²⁵ Ibid., p. 313.

²⁶ Ibid., p. 314.

²⁷ Alma H. Brown, op. cit., p. 313.

²⁸ W. Richardson, Texas Almanac 1856 (The Galveston News), p. 106: The following is a list of consuls in Texas in 1856:

J. Kauffman	For Bremen	Resides at Galveston
H. A. Runge	For Bremen	Resides at Indianola
H. D. St. Cyr	For France	Resides at Galveston
Arthur L. Lynn	For Great Britain	Resides at Galveston
J. W. Jockusch	For Hamburg	Resides at Galveston
Henry Runge	For Hamburg	Resides at Indianola
F. Erdozam	For Mexico	Resides at Brownsville
F. W. Steel	For Nassau	Resides at Galveston
Julius Frederick	For Oldenburg	Resides at Galveston
J. C. Kuhn	For Switzerland	Resides at Galveston
F. A. Stokes	For Uruguay	Resides at Galveston

outstanding. The Treaty of Commerce and Navigation between "Her Majesty" and the Republic of Texas, signed on November 13, 1840 was as follows:

Her Majesty, the Queen of the United Kingdom of Great Britain and Ireland and the Republic of Texas, being equally desirous of affording every facility and encouragement to their respective subjects engaged in commercial intercourse with each other. No tax or duties will be placed, Consuls and Vice Consuls should be permitted.²⁹

The following is a letter of Ashbel Smith who was charge d'Affairs for Texas in London in the year 1842.

Houston, Texas
July 4, 1842

Honorable Ashbel Smith
103 Bermyn St., London
Minister Charge d'Affairs of London

Dear Sir: I take much pleasure in introducing to your acquaintance and particular attention Mr. I. Homes Hopkins as a young gentleman and lives with me at Corpus Christi. Mr. Hopkins insists that Texas is quite a loveable place to live. I am gratified to learn that he loves the resources and plans to write his friends in England, telling them about his delight. I refer you to Hopkins for all the news in relations to our present state of affairs. He needs information about the county. The corps generally throughout this county are good, particularly the cotton, and I have no doubt but our exports will exceed those of lash beu by 75 or 100.

J. P. Henderson³⁰

²⁹Alma H. Brown, op. cit., p. 313.

³⁰Ashbel Smith Letter, MSS., University of Texas Archives.
(Hereinafter cited, Ashbel Smith Letters).

The largest exports from Texas to the foreign countries were Indian corn, cotton and hides.³¹ In the year ending July 31, 1844, the value of corn and cotton exports from the coastal custom houses was more than \$500,000, whereas hides, third most important export commodity, were valued at only \$17,500.³² The prominent seaports through which England transported most of her goods were: Galveston, Point Isabel, Port Bolivar and Port Lalle.³³ Point or Port Isabel, as it is now called, is located in Cameron County near Brownsville and Port Lalle, located in Calhoun County were prominent ports for foreign trade until the late sixties. Indian corn, potatoes, cotton and hides were goods constantly going out of these ports by way of England.

So great were the commercial advantages to Great Britain and France that both were anxious to prevent the annexation of Texas. In the early part of 1844, the British foreign minister outlined to the Mexican representative at London, a scheme to accomplish this end. It involved the recognition of Texas independence by Mexico and a guaranty of the independence of Texas and the

³¹Great Britain, Public Record Office, British Consulate at Galveston Correspondence 1847-1860. F. O. 5 (U. S. A.) Vol. 476.

Hereinafter cited: British Consulate Correspondence.

³²R. E. L. Crane, Jr., "The Administration of the Custom Service of the Republic of Texas" (M. A. Thesis, University of Texas), pp. 228-231.

³³British Consulate Correspondence, op. cit.

boundaries of Mexico by Great Britain and France, hoping to encourage the Republic leaders not to continue seeking annexation. But as annexation was one of the chief issues in the presidential campaign of 1844 in the United States and Presidential Candidate Polk had pledged to annex Texas, the die was cast. Polk was elected President and Congress passed a joint resolution to annex Texas in February of 1845. The British and French representatives in Texas induced President Jones in March of 1845, not to accept annexation for ninety days. The British Charge d'Affairs, Captain Elliott, hurried to Mexico in an attempt to get Mexico to agree to give Texas complete state recognition on condition that Texas remain an independent nation; thereby enabling England and France to hold on to their commercial advantages. The scheme proved fruitless for Texas became a part of the Union in 1846, amid booming cannon fire, jubilant smiles and happy tears.³⁴ Great Britain and France continued to trade extensively for Texas goods although regulations were much more rigid.

The Northern and Eastern capitalists were very much interested in commercial activities during the Republic in Texas and other areas of the South. In the three great commercial centers of the Northeast, Boston, Philadelphia, and New York, business men had vast interest at

³⁴Lewis W. Newton and H. P. Gambrell, op. cit., p. 233.

stake in the South.³⁵ Although the New England capitalists sought to gain commercial supremacy of New England, they never failed to renew again and again their financial interest in Texas and the South.

The commercial centers of Texas between the late 1830's and early 1860's were obviously located near the coast outlets of our state, a reality with only one exception, that being the hinterland areas of Bexar County or San Antonio specifically. From 1830 to 1850, Texas was woefully short in respect to its economic overhead. The state had few roads worthy of the name, with the possible exception of the El Camino Real (The San Antonio Road). This road running from Nacogdoches to San Antonio, called the "Silver Highway of the King," derived its name from the fact that the Spaniards had coined special toll money to be paid by those who traveled it.³⁶ It was traveled by roughly-hewn contraptions that would barely pass for wagons. Trade routes included only short distances of navigable streams and dirt roads. The freight and passenger movement, both on the rivers and roads, were uncertain, irregular and completely dependent on the weather. The rivers were navigable only during portions

³⁵George R. Woolfolk, The Cotton Regency: The Northern Merchants and Reconstruction 1865-1880 (New York: Bookman Co., 1958), p. 13.

³⁶Lipscomb Norvell, Kings Highway (Austin: Farm Foundation Co., 1945), p. 25.

of the year. Texans have always been acutely conscious of the need for increased commercial activity and, contrary to some expressed opinions, it has become increasingly evident that extensive trade was carried on even prior to the Republic. A considerable quantity of the trade for North Texas, as far up as Grayson County, was carried on the Red River to New Orleans. Other northeast Texas trade flowed to the same city from Jefferson, on Cypress Bayou. The chief trading town in the northern portion of the state was then Jefferson, which connected the Red River with Caddo Lake. Jefferson was rivaled by Shreveport, the second leading entrepreneurial center in Louisiana. West of the Colorado, the commerce of the area flowed into several ports around the Calhoun and Matagorda area. This area received chiefly the San Antonio area trade. The other market areas were at Brownville in Cameron County, which included the ports of Point Isabel and Brazos Santiago.³⁷

The last and most important market areas were the Houston-Galveston market, the largest and most prominent of all the commercial market centers.

Transportation to and from these areas by land was very difficult. The very slow uncertain trips to local markets for supplies were vexations and often hazardous,

³⁷Harry Williams, "The Development of a Market Economy in Texas, The Establishment of the Railway Network, 1836-1890," (Unpublished Ph.D. dissertation, University of Texas, 1957), p. 22.

and it was imperative to develop facilities for transporting cotton and corn to American markets.³⁸ Economic advancement beyond the level of family self-sufficiency was almost precluded until corn, cotton, hides, and other products could be sent safely to the outside world. It was natural therefore, that within the limitations of the means and knowledge of a new, raw country, the Republic settlers made strenuous efforts to travel dirt roads to navigate the long snag-ridden rivers with light draught steamboats or other suitable craft. Texas roads, which bore a major portion of travel and internal commerce, were dusty trails in dry weather and quagmires in wet seasons as many wayfarers ruefully narrated.³⁹

Although in dry seasons, the roads in the eastern part of Texas, the Nacogdoches-San Augustine regions made a favorable impression on some tourists, the creeks and rivers in this area were very difficult to cross in wet weather and even the hardest horseman dared not venture abroad in the winter northers.⁴⁰

A long trip by cumbersome wooden-axle or wagon was likely to be interrupted by days spent in mending broken parts. Transportation by wagon was exceedingly difficult

³⁸W. R. Hogan, op. cit., p. 53. Rupert N. Richardson, Texas, The Lone Star State (Englewood: Prentice-Hall, Inc., 1956), p. 214.

³⁹W. R. Hogan, op. cit., p. 54.

⁴⁰Ibid., p. 55.

and snail paced.⁴¹

According to Hogan, the postal system in Texas failed to function with even moderate efficiency because of the uncertainty of travel. A few post offices and mail routes connecting the principal towns were established before the revolution, but services were hampered by inadequate roads, high water and robberies. Mail was often found along the roads and in the ditches.

During the 1850 period, the merchandizer and the commission merchants were rather numerous but not overwhelmingly wealthy. They engaged in land speculation, small retailing, town promoting, slave leasing and money-lending.⁴² The amount of business conducted by barter or trade increased during the late eighteen thirties. It was commonplace to trade cows or calves for clothing or some other goods for an implement. Money was scarce and it appeared that no kind of property could be used for money except the Negro slave. Actually wealth came to be grouped in terms of slave holding. One of the William's letters relates a business transaction where a slave boy was to be exchanged for a tract of land worth \$600.00.⁴³ According to Carlson, these early business concerns in

⁴²Avery L. Carlson, Monetary and Banking History of Texas (Fort Worth, Texas: Fort Worth National Bank, 1930), p. 9.

⁴³Samuel May Williams, (MSS. Rosenberg Library, Galveston, Texas) Hereinafter cited, The Williams Papers.

Texas combined the dry goods, bakery and hardware business with the Commission and Banking business. Banking then developed out of the mercantile and commission business. These mercantile and commission merchants were compelled to perform banking functions in order to extend their trade. In the absence of adequate commercial banks, the merchants served as retailers, commission merchants, insurance agents, and bankers.⁴⁴ Money was loaned by merchandizers and farmers alike. These money lenders were the forerunners of the private bankers who dominated the banking business in the state until the dawn of the Twentieth Century. The Prominent Commission House of McKinney and Williams was authorized by the Texas Congress of 1841. This company was authorized to issue \$30,000 in notes to circulate as money. These notes were secured by mortgages, real estate, Negroes and a saw mill valued at \$60,000.⁴⁵ Another mercantile firm at Brazoria, known as R. Mills and Company, was formed in 1836. Later both the McKinney and Williams Company and the R. Mills Company moved to Galveston. McKinney and Williams had operated in Quintana near the Brazos River.

Industrially Texas was just a yearling before 1850. Rankin relates that there were a few not connected with

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Avery L. Carlson, op. cit., p. 10.

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H. P. N. Gammel, The Laws of Texas, 1822-1897. Vol. I, (Austin: The Gammel Book Co., 1898), p. 598.

the professions farming or stock raising.⁴⁶ There were of course blacksmiths, gunsmiths, wheelwrights, watch repairers, tanners, carpenters and saddlers, to name a few.⁴⁷

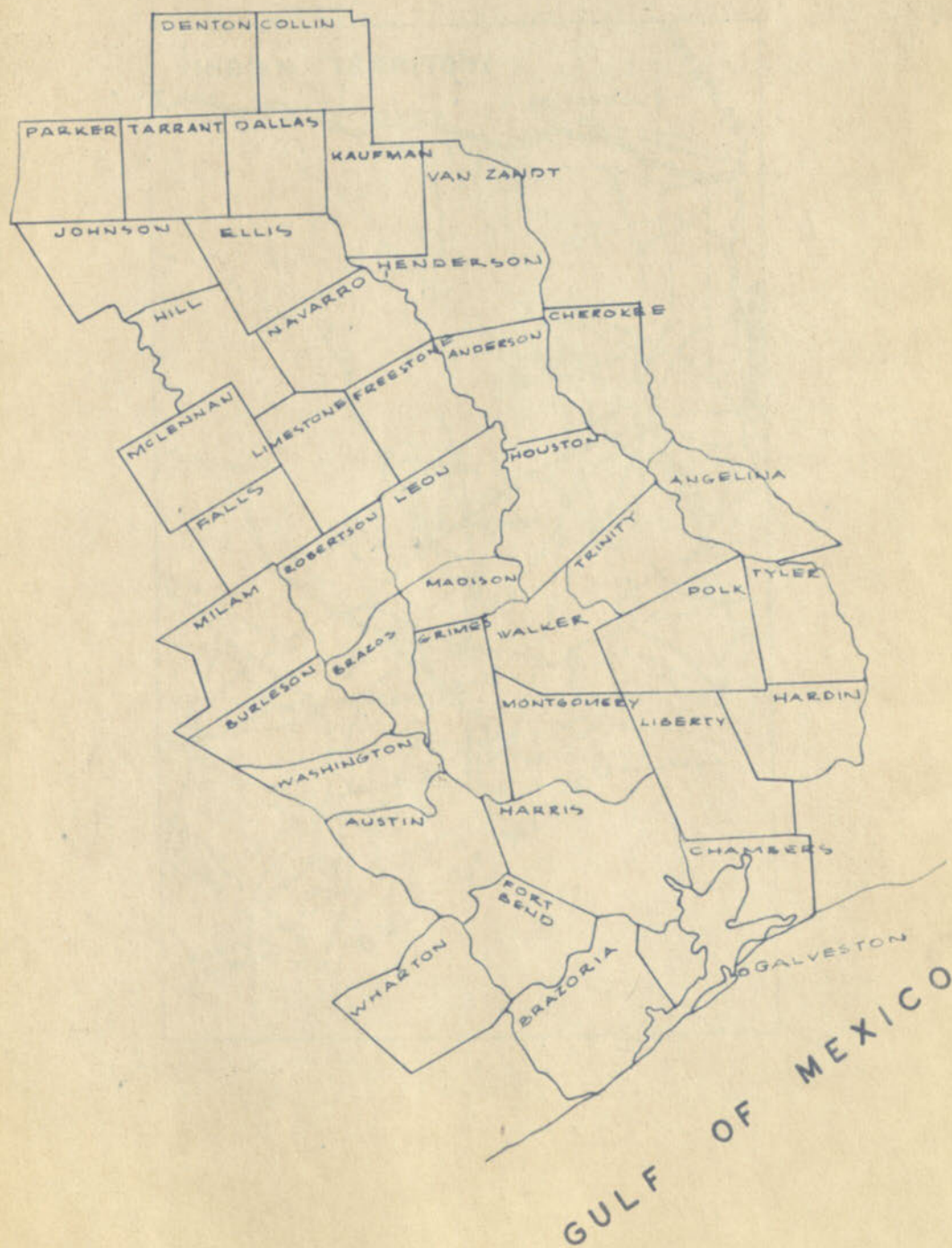
As Texas advances toward the late fifties and the Civil War, evidence of commercial, industrial and banking activities began to illuminate and transcend our economy from an agrarian base to an industrial tower, thereby developing small native capital in our state.

⁴⁶ Melinda Rankin, op. cit., p. 107.

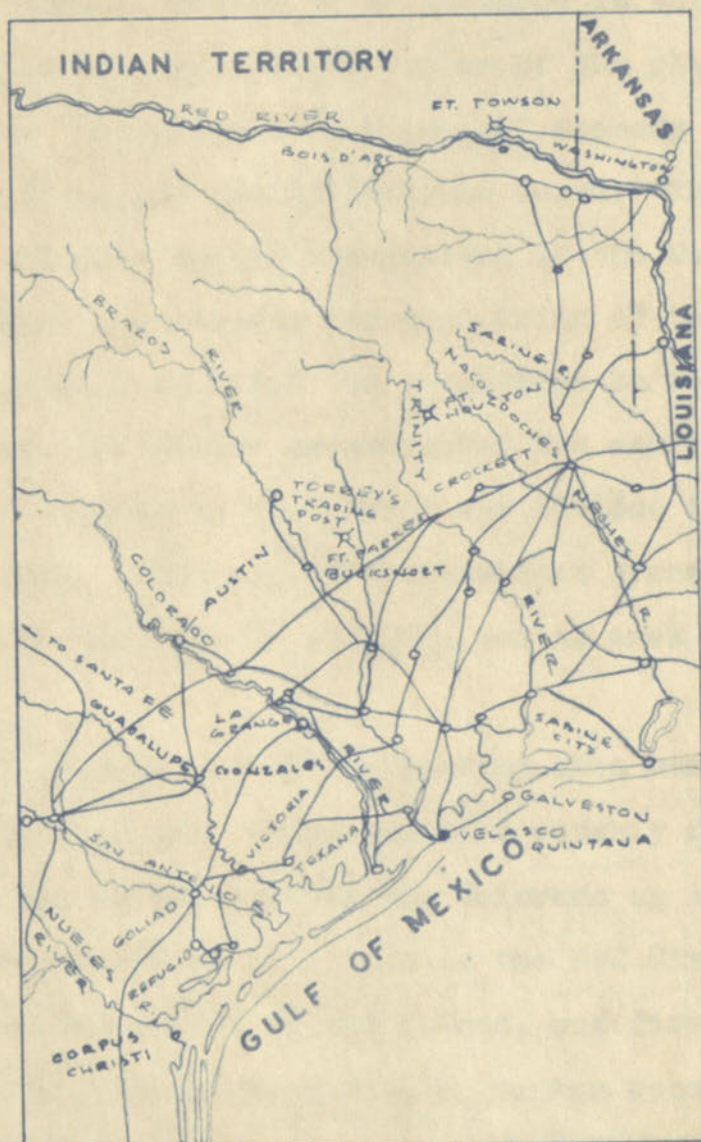
⁴⁷ W. R. Hogan, op. cit., p. 103.

GALVESTON-HOUSTON MARKET AREA

BASIC STAPLES: COTTON, CORN & HIDES



PRINCIPAL WATERWAYS AND ROADS



CHAPTER III

THE PLANTATION ECONOMY

Section I. The Galveston-Houston Market

The basic question to be answered in this study was centered around the economic value of the plantation economy as it relates to the general economy of the agrarian South and particularly in Texas. The question is: Did slavery freeze the capital of the South and thus destroy opportunity for expression of the creative entrepreneurial impulse? In an attempt to reach a valid conclusion, the writer investigated the early economy of Texas and discovered that Texas was divided into five market areas. Each one of these market areas, centered around a market town or seaport, was an apex of a trading sphere.¹

Most significant of the trading area was the Galveston and Houston area which extended roughly from the Neches River on the east to the Colorado on the west, with a northward penetration as far as the Red River. The name Galveston placed on the island, was first called San Louis but later changed to Galveston because of Count

¹Charles E. Potts, Railroad Transportation in Texas, Vol. IV, No. 2 (Austin: Bulletin of the University of Texas, 1908), p. 8.

Bernardo de Galvez, a Spanish nobleman.²

Galveston County was created out of Liberty and Brazoria Counties in 1838 and was the most important county in the state at this time commercially. The post office at Galveston was the principal distributing office for the entire state.³ It was often said that Galveston was destined to become the commercial emporium of Texas. Facing directly on the Gulf of Mexico, bounded on the north by a large natural harbor, easily accessible to ocean going vessels, it was an ideal spot to build the port of Texas and the gateway to the southwest.⁴

Officially the port of Galveston came into existence in 1830, when the Mexican government provided for the establishment of a military post and custom house. A revenue house was erected for the district at the east end of the island on the site of Lafitte's Fort. Later the custom collector moved to Anahuac when a fort was built there in 1831. Galveston Island at the time was without population or buildings. Later however, the Texas provisional government formed the Galveston revenue district, which established the port of Galveston as a port

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W. Richardson, Texas Almanac for 1856 (The Galveston News), p. 141. Here and after cited: Texas Almanac.

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Jacob De Cordova, Texas: Her Resources and Her Public Men (Philadelphia: E. Grozet Co., 1858), p. 234.

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Carl E. Blasig, A History of the Commercial Organization Movement and Its Impact on Texas Progress (Brownsville: Springman-King, 1950), p. 9.

of entry.⁵ Among the earliest laws passed by the first Congress of the Republic was a grant to Michel Brana-mour Menard of one league and one labor of land on the east end of Galveston Island. Menard and his associates were the most active bidders for the site for \$50,000. Menard apparently obtained at least a portion of the money from David White of Mobile, Alabama, and sold stock in the Galveston Company to other wealthy southwest Texans such as: Thomas McKinney, Samuel M. Williams, Dr. Levi Jones and James Love.⁶

Colonel M. B. Menard, a native of Montreal, Canada of French descent, came to Nacogdoches, Texas in 1833 to engage in trade with the Indians and Mexicans. He then became associated with McKinney and Williams in the construction of a mill and trading post on a stream flowing into the Trinity. A man of noble character and rare intelligence, Menard continued to engage in fruitful business ventures with other early capitalists in Galveston.⁷ One such venture was the Galveston Company's purchase of the first wharf. Being strictly a seaport town, the appearance was that of a fine city of great extent built close upon the edge of the water. Rankin, in 1850, said:

⁵Historical Review of South East Texas (Chicago: Davis Publishing Co., 1910), p. 301.

⁶W. R. Hogan, op. cit., p. 91.

⁷Historical Review of South-East Texas, p. 281.

Although Galveston as a harbor, was much superior to any other on the Gulf between Pensacola and Vera Cruz, it has not acquired the degree of importance it should have because of the need for direct island communication except by water; in consequence of which the island trade is intercepted at other places.⁸

A Frenchman, Henri de St. Cyr, who owned a merchandising house and served as vice consul for France referred to Galveston as "a charming delightful little village, particularly remarkable for the greenest vegetables, good fishing, oysters and most profitable as a shipping center for merchants."⁹ Most Galvestonians at this time agreed with the Frenchman and others who could foresee a large future for their city. Most citizens visualized their island as a potential Manhattan, the funnel seaport through which the future commerce of the state must necessarily pass. The location of Galveston destined it for a port city of great exports and imports from all parts of the world. Here was the safest and largest natural harbor along the Texas coast, and behind it were productive and rather populous counties.¹⁰

Internally, it was reported that there were some very pretty houses, of Grecian architecture, one story, with columns and windows to the floor, all painted white

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Melinda A. Rankin, op. cit., p. 208.

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Houston Telegraph, May 13, 1855.

10

William R. Hogan, op. cit., p. 31.

and having a neat white paling around them. While the larger houses derived their columned porticoes from classical prototypes, the typical Galveston residence was a small frame structure with a porch.¹¹

Government and Social Life in Galveston

Governed by a mayor and a city council, the government of the city was as good as any on the Gulf of Mexico. When compared with older cities in Europe or on the east coast of America, it still left much to be desired. Its complex tax system, while bringing considerable income, was complicated to administer and burdensome to both citizen and visitor. The city fathers, while encouraging many physical improvements neglected other matters very vital to a tropical city such as the improvement of sanitation and the enforcement of port quarantine. Although its citizens took great interest in culture, the city did not support any schools adequate to produce educated individuals. Yet despite these weaknesses the city government had many admirable accomplishments. The council encouraged such improvements as the beautifying of buildings, the maintenance of sidewalks, the paving of streets, the construction of bridges, and the installation of public utilities.¹² During the year

¹¹

Ibid., p. 28.

¹²

Earl W. Fornell, The Galveston Era (Austin: University of Texas Press, 1961), p. 60.

1859, the city took positive action to pay for shell-paving the streets by levying upon each householder at the rate of \$1.00 per front footage.¹³ In 1858, the city council had appropriated \$3,000 to pave a shell road drive along the bay to permit the citizens to enjoy the same luxury of evening driving along the sea front as was indulged in by the better citizens of New Orleans.¹⁴ In the same year the city fathers began to build along the Tremont Street drive, a fine public park similar to the ones in Europe. The merchants of Galveston were very proud indeed of their "White Lighted Emporiums."¹⁵ The new gas might be exciting and convenient but the wood stove, nevertheless, remained the primary means for household cooking and the major source for heat.

Social life in Galveston was composed of several elements. At the summit was what might be described as a local aristocracy consisting of a number of native American families who drew their income from mercantile, banking, shipping, and transportation enterprises, as well as from large plantations like the several cotton growing establishments owned by the Mills family. The income of still other members of this group rested upon

¹³ Houston Telegraph, February 4, 1859.

¹⁴ Earl E. Fornell, op. cit., p. 60.

¹⁵ Ibid., p. 61.

the professions, politics, manufacturing, and newspaper publishing.¹⁶ The leading families who ruled Galveston led a cosmopolitan life, moving in a rather closed circle, bound together by a custom of visiting and entertaining each other in the many fine houses set amidst beautiful flower gardens.¹⁷

The mercantile enterprises of the fifties, being of a much more personal nature than in modern times, tended to contribute to the social as well as the commercial life of the City.¹⁸

Commerce and Banking in Galveston

Commercially during the eighteen fifties, Galveston was the emporium of the state. The private bankers, commission merchants, shipping agents and retail merchandisers were most abundant. During this period, however, operating a banking enterprise and issuing paper currency was an illegal act because the state constitution forbade such action.¹⁹ Holding a Jacksonian point of view, Texans looked upon banks and bankers with suspicion. General T. J. Rusk, speaking at the constitutional convention in 1845, pointed out that although a few fortunate individuals

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Houston Telegraph, November 13, 1857.

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Earl E. Fornell, op. cit., p. 88.

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British Consulate Correspondence, Lynn to Compton, (January 13, 1855, Vol. 476).

19

H. P. N. Gammel, op. cit., pp. 130-134.

had been ruined by them.²⁰ A large majority of Texas agreed with Rusk that a bank in Texas would benefit only the few and would bring ruin, want, misery, and degradation in its train for the many. Texans not only entertained the usual frontiersman's distrust of high finance, but also remembered unfortunate experience with money manipulations during the day of the Republic. Some leading Galvestonians felt that bank charters and democratic constitutions were incompatible.²¹ Holding these beliefs a voting majority of Texans refused to permit their legislature to reverse the code or the constitutional provisions which outlawed banks. The lack of banking services caused a nominal, if not real, inconvenience to the smaller merchants and to the ordinary citizens. In particular, the lack of a legal paper currency sometimes necessitated the transportation of large amounts of specie between New Orleans and Galveston.²²

The commission merchants of the city who possessed some working capital were not hampered by the absence of a legal banking service. Few people carried large amount of specie from place to place to conduct ordinary trade;

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W. R. Hogan, op. cit., p. 99.

21

William Gouge, A Fiscal History of Texas (Philadelphia: Lippincott, Gambo and Co., 1852), pp. 60-61.

22

Avery L. Carlson, op. cit., pp. 1-18.

most trade was by barter. Actually, since banks and the formal issuance of paper currency were illegal, the commission merchants as previously mentioned, were able to combine both of these services with that general commission business of buying and selling for planters and for smaller inland merchants.²³ The two largest Galveston commission houses or banks kept more than a million dollars in paper circulating on the Gulf coast, and this currency was accepted everywhere on a par with specie. These two firms, the Commercial and Agricultural Bank as operated by Samuel May Williams and Thomas McKinney and the trading firm of R. and D. G. Mills, provided the Gulf coast and most of Texas with adequate, and in some respects with superior banking facilities. In addition to the two large firms, smaller commission merchants such as Ball, Hutchings and Company; W. B. Sorley and Company; Briggs and Yard; E. B. Nichols and Company; Hewitt, Swisher Company; T. H. McMahan, existed. Although the laws might appear to be restrictive, the private bankers such as Williams and Mills, and the other lesser merchant financiers, favored leaving the situation as it was because the existing practice permitted them to operate their money and mercantile enterprises with practically non-government control at all. Their informal currency and

²³Ibid., p. 17.

their lending practices permitted them to expand or contract their capital as needed. The major criticism leveled against the money market in Galveston did not concern lack of stability, but rather the high rate of interest. The state required that a tax be placed on persons lending money and merchandisers.²⁴ The commission business in Galveston had developed as an integral part of Gulf coast agriculture and commerce, and was as necessary to the development of the area as the planter and the farmer. Banking in Galveston was not considered to be the hiring of informal paper money but the hiring of service. In some other states the procedure was a common practice between the cotton factor and the planter. In Texas, however, with banking being illegal the major commission merchants in Galveston financed not only the planters but also the minor traders and merchants of the coastal area on the basis of service rather than on the basis of lending money as such.²⁵ The law, which on paper

²⁴There shall be assessed and collected of each person, firm, tax on money loaned of public corporation, having money loaned at interest, a tax at the rate of 20 cents on each hundred dollars so loaned, and any person, firm or public corporation having money loaned at interest, who shall fail or refuse to give in the same for taxation shall upon conviction before any court having competent jurisdiction; each person or firm engaged in the sale of goods, wares, and merchandise, vinous and spirituous liquors when sold in quarts or more shall pay 20 cents on each \$100.00 value.

William L. Oldham and George M. White, A Digest of the General Statute Laws of Texas, Art. 1938 (Austin: John Marshall and Co., 1859), p. 6.

²⁵Earl E. Fornell, op. cit., p. 48.

appeared to be a limitation actually provided for a remarkably free market not only in goods and money but also in services. The men behind the two banks in Galveston were sharp trading business men, who charged as much for the credit they extended as the market would provide.

Samuel May Williams, born at Providence, Rhode Island, had begun his mercantile career in Texas as early as 1822 when he landed in Texas, with ninety colonists. After having received a good New England education, he worked in a Baltimore bank, owned by his uncle. He later worked in New Orleans for a trading firm. With this experience Williams was recommended to Stephen F. Austin to serve as his secretary and recorder of public land. In this position he had charge of all books, maps and papers belonging to Austin.²⁶ Williams' association with Austin ended in 1834, because of a disagreement over the operation of the land office.²⁷ In 1834, Williams formed a partnership with Thomas McKinney in an enterprise which carried on mercantile operations in Brazoria. The success of the partnership was due almost entirely to Williams' skill as a banker and merchant. During the Mexican War the two partners were reported to have ad-

²⁶Ruth G. Nichols, Samuel May Williams (Galveston: Rosenberg Library Press, 1956), p. 5; Earl E. Fornell, op. cit., p. 44.

²⁷Ruth G. Nichols, op. cit., p. 8.

vanced \$99,000 of their own capital to aid the Texas cause. Apparently neither was ever adequately repaid in monetary terms for the loans which they extended to the Republic.²⁸ After the war the merchants moved their trading and mercantile enterprise to Galveston. In a few years they had again accumulated enough capital to become one of the leading banking houses in the South. The bank's possessions included: Sawmills, steamboats, hotels, dwellings, slaves and a wharf.

The Commercial and Agricultural Bank was officially opened in 1847. The officers included, Williams, president and J. M. McMillan of Ohio, cashier. McMillan represented the firm of Joseph S. Lake and Company of New York.²⁹ Joseph Lake, a New York banker and financier put up much of the capital for the Commercial and Agricultural Bank. A group of financiers headed by Lake, actually supervised the organizing of a branch bank at Brownsville.³⁰ This syndicate also controlled banks in New Orleans, Baltimore, Akron, Ohio and New York City.

The R. and D. G. Mills Company, another firm in Galveston, was said to be a stronger firm than the Williams' enterprises, both from the standpoint of management and financial strength. The leading member in the Mills'

²⁸Ibid., pp. 189-200.

²⁹Ibid., p. 200.

³⁰Williams Papers: Lake to Williams, April 15, 1848.

Company was Robert Mills called by some the "richest and most influential merchant in the state during this period." In addition to his trading enterprises, which included an interest in firms in the East, he had interest in sugar, cotton, wharfs and plantations equipped with slaves.³¹ Being speculative by nature, Mills gambled his mercantile fortune in blockade-running during the Civil War. The Williams' bank fell victim to the anti-bank sentiment resurging in the mid 1856. Litigation divided against the bank's charter was begun and continued through the rest of its existence.³²

Despite the fact the Williams and Mills' companies dominated the financial scene in Galveston, the state comptroller's reports for 1852 listed ten money lenders with \$60,467 out at interest. By 1853, there were 18 lenders with \$172,496 out at interest, an increase of \$112,029. This points out that there were many small lenders in Galveston who loaned small but significant sums of money. Two such small lenders were J. W. Pilant and J. M. Robinson. Pilant, in 1851, had nine town lots worth \$1,500, two slaves worth \$1,500, with \$535.00 out at interest and a total worth of \$3,635.00. Robinson, in 1851 had \$300.00 worth of land, and one slave worth \$300.00. He loaned out \$650.00, and had a total value of \$2,825.56.

³¹Earl E. Fornell, op. cit., p. 45.

³²Avery L. Carlson, op. cit., p. 329.

In Galveston, .82 per cent of the lenders owned town lots and Negroes, while only 8 per cent owned land and no slaves.³³ It became rather apparent that there were retail merchants, farmers and small commission merchants who loaned small sums of money, for money making purposes. Although they could not rank with the financial magnates of Galveston, like the Mills or Bordens, they nonetheless, were small capitalists.

These persons were capitalists because they had surplus made from the existing plantation economy. Therefore the plantation economy did not freeze all the capital nor destroy the desire to branch out into two other businesses. The plantation economy afforded surplus and this surplus was used to engage in other business past time.

Early Manufacturing in Galveston

Industrially during the fifties, Galveston produced a rather diversified group at small manufacturers. This group included: Coppers (molasses makers), saddlers, wagon makers, blacksmiths, bakers, cigar makers, undertakers, furniture makers, iron foundries and a meat biscuit producer. John Ford, a wagon maker made as much

³³State Comptrollers Reports, Galveston County, 1850-1860.

as \$7,500 in 1850, while Henry Irving, a combination undertaker and furniture maker made as much as \$30,000 in that year.³⁴

Probably the most unique manufacturer in Galveston at this time was Gail Borden, Jr., a member of the historic Borden family that had its origin in New England. Arriving in Texas, after a short tenure in New York, Borden settled in Austin colony and together with his brother, engaged in several business ventures, the most prosperous being, a newspaper publisher.³⁵ After the Mexican War, the family moved to Galveston where Gail invented the "Meat Biscuit," a pemmican of condensed beef, designed especially for sailors, soldiers and explorers.³⁶ The biscuit, made of dried lean meat, when packed in small sacks was very easy to carry. According to sources, Borden made \$40,000 off the meat biscuit.³⁷ Borden, often cited for his civic interest, later invented a way to condense milk and was the founder of today's Borden Milk Company.

³⁴United States Bureau of the Census, Seventh Census 1850, Products of Industry, MSS. Hereinafter cited U. S. Bureau of Census.

³⁵History of Texas, Together with a Biographical History of the Cities of Houston and Galveston (Chicago: The Lewis Publishing Co., 1875), p. 699.

³⁶Carl E. Blasig, op. cit., p. 10.

³⁷U. S. Bureau of Census, Industrial, Galveston County, 1850.

As previously stated, most of the foreign consuls resided in Galveston where most of the shipping was done to the foreign ports.

The Houston Market

The next important city of the Galveston market area was the bayou city, Houston. Named for General Sam Houston, the city was founded in 1836 by John K. and A. C. Allen.³⁸ Having been incorporated in the same year, the town was selected capital of the Republic. A visitor to Houston in the late forties would notice perhaps several hundred log and frame houses occupied by rather well to do towns people, while during the same visit would notice some forty or fifty canvas shanties occupied by gamblers and small retail whisky operation. During the time it was the capital, several historians related the fact that drinking, card playing and shooting seemed to be commonplace. By 1850, Olmsted noted many agreeable signs of the wealth accumulated in homelike residences, its large and good hotels, its well supplied shops, and its shaded streets. The principal thoroughfare, opening from the steamboat landing is the busiest we saw in Texas. Near the bayou are extensive cotton shade and huge exposed piles of bales.³⁹

³⁸Lewis M. Newton and Herbert Gambrell, op. cit., p. 284.

³⁹Frederick Olmsted, op. cit., p. 89.

The Allen Brothers from New York founded the city after residing in Nacogdoches. In an advertisement in the Houston-Telegraph of August, 1845, it was noted that vessels from New Orleans and New York could enter Houston without obstacles. It combined two important advantages: A communication with the coast and foreign countries and with other parts of the state. The town was located at a point where it commanded the trade from the richest part of the state. The communication between Galveston and Houston was mainly by steamboats which offered excellent trade opportunities between the two commercial emporiums. Located at the head of the Buffalo Bayou, the commercial fertilitities were enhanced by the advantage of inland and coastal trade that rapidly advanced the city into wealth and commercial importance.⁴⁰ Shortly after the capitol was moved to Austin, the city of Houston began having economic difficulties. These difficulties arose when the New Orleans banks cut off credit to the Houston merchants.⁴¹ The merchants were considered a bad risk because much of the incoming trade had ceased when the capitol moved. To add insult to injury, yellow fever raged in the community.⁴²

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Melinda Rankin, op. cit., p. 28.

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Historical Review of South-East Texas, p. 236.

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Carl E. Blasig, op. cit., p. 20.

In order to offset a near economic catastrophe, Henry Allen, Thomas League, George Gazley, Joe Pitkin and D. C. Harris organized the Houston Chamber of Commerce, the first such organization to operate in the state.⁴³ The purpose of the Chamber was to further commercial interest.

The merchants of Houston were constructive businessmen. Besides importing and displaying an assortment of goods, they sought customers beyond the ordinary limits. Planters and small traders were given credit from one season's end to the next. This liberality gave rise to lasting commercial ties. The merchants realizing the fact that their very existence depended on the planter and small traders, sought to maintain their relationship. Their existence rested upon the agricultural pursuits engaged in through the state.

Harris County

The county of Harris, named from John P. Harris, initially called Harrisburg, was complimented and enhanced economically by its largest city, Houston.⁴⁴

The State Comptroller reported in 1856, that Harris County had 26 money lenders with \$24,800 out at interest

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Historical Review of South-East Texas, p. 239.

⁴⁴

Ibid., 9. 239.

while the next year there were 31 lenders with \$138,940 out at interest, an increase of \$114,140.⁴⁵ It is to be noted that 27 per cent of the lenders owned slaves with no land while 25 per cent owned neither slaves nor land. The lender in Harris County was, for the most part, a small capitalist who loaned money or leased slaves. The existence of the money lender no matter where located, near the market coast towns or in the interior, depended obviously on agricultural pursuits.

The small manufacturing in Harris County was geared to compliment on agrarian economy. In 1850, there were 20 industries, with a total capital of \$29,150 invested. The range of products went from grist meal, wagons, bread, schooners, lumber, tinware to cast iron, shoes and hats. The total value of products for the year was \$116,016. By 1860, the census shows the addition of two breweries and a paper printing company. The brewery operated by H. Shuly made \$16,000 off beer and ale and \$400.00 from yeast, while E. H. Cushing made \$18,500 in the printing business.⁴⁶ The products made by the manufacturers, were those that were needed and usable to the planter economy of this era. Agricultural economy then, was the pillar upon which

⁴⁵State Comptroller's Report, Harris County, 1850-1860.

⁴⁶U. S. Bureau of Census Industrial, Harris County, 1850.

the manufacturing institutions rest, with each complementing the other.

Trinity River Route

Galveston and Houston, the apex of the largest market area in our state, were enhanced greatly by the flow of commerce entering into the area, by roads and three major rivers, plus the Buffalo Bayou. The rivers were the Brazos, the Trinity and the Neches, all stretching inland into the far interior of our state. These rivers were traveled by steamboat, flatbush, keelboats and sometimes schooners from most sections of the state. From the wheat counties of Dallas, Kaufman, Ellis, Parker, Cooke, Tarrant and Collins came wheat, corn and cotton to the Galveston-Houston market by way of the Trinity River usually by Keelboat.⁴⁷ The manufacturing in this area was composed to a large extent of flour mills, blacksmith shops, tanners and grist mills. Small personal banking appeared in the form of the usual type of small money lender. The largest lending county was Dallas with 96 lenders with \$35,550 out.⁴⁸

The strong cotton counties of Polk, Walker, Grimes,

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W. R. Hogan, op. cit., p. 214.

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State Comptroller's Tax Records, 1850-1860, for the following counties, Polk, Walker, Grimes, Dallas, Burleson, Washington, Montgomery, Ellis, Parker, Cook and Tarrant.

Washington, Robertson, Montgomery and Burleson, ventured to the market both by land and water. Traders of Polk County carried their cotton down the Trinity to Galveston while others came down other routes.

Brazos River Route

The planters from Robertson, Burleson, Fort Bend and Milam counties ventured to the Galveston market by the Brazos. Planters from Grimes came by road in carts and wagons to Houston, while the Brazoria planters came by ox wagon before the canal was finished bringing in cotton and sugar. The Brazoria farmers were the richest coming into the Galveston port. In 1860, the census listed several firms worth more than \$100,000.⁴⁹ The manufacturers in this area ranged from the blacksmith, tanners, bakers, saddlers to coopers and ginners. The money lenders were the harvesters in Walker County, having 68 lenders with \$170,869 out in interest.

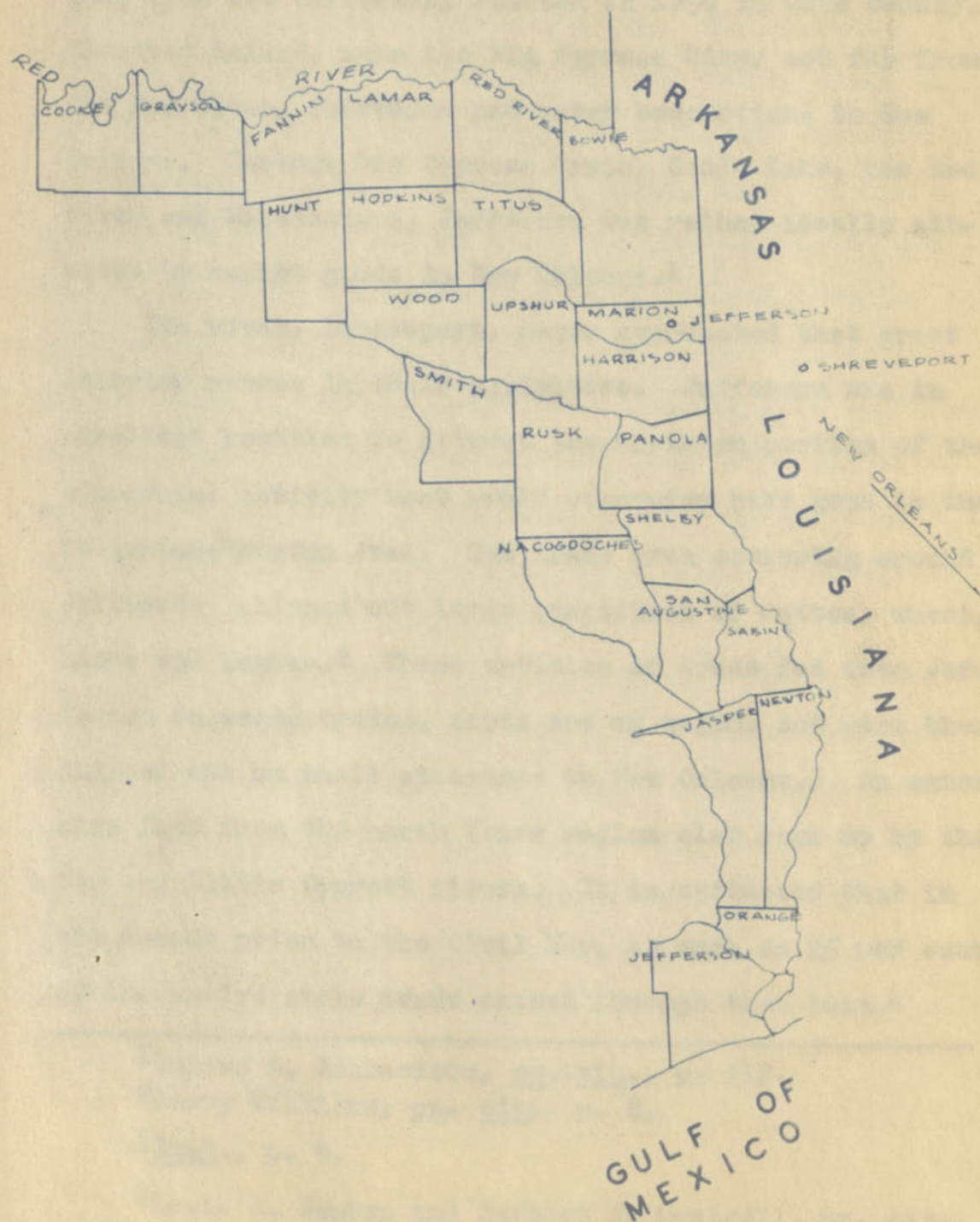
Small capital developed quite extensively and merchandising pursuits. There were many small retail stores in this market region because of the heavy farm demands. It is to be noted that small commission merchants sold and exchanged clothing, implements, slaves and foodstuff, all along the trade route to and from the markets. The lenders then were small farmers and small manufacturers.

⁴⁹U. S. Bureau of Census, Agriculture, Brazoria County, 1860.

The lending farmer generally, was one who loaned money, in the interior counties of the Galveston market, usually owning slaves and land. The lender near the coast however, neither owned land nor slaves, but usually loaned out larger sums of money than those in the interior. This was probably true because of the density of the population and the trading traffic that constantly flows in and out of the market cities. This rudimentary agricultural base gave rise to the afore mentioned small manufacturing, small merchandising and small personal banking operations. Operations that were gaining impetus because of the plantation economy.

JEFFERSON—SHREVEPORT—NEW ORLEANS MARKET AREA

BASIC STAPLES: COTTON, WHEAT & LUMBER



SECTION II OF THE PLANTATION ECONOMY

THE JEFFERSON, SHREVEPORT AND NEW ORLEANS MARKET

The third sphere of trade stretched out across the northern portion of the state. The chief trading town in this area was Jefferson, located in 1850 in Cass County. Situated inland, near the Big Cypress River not far from the Red River, Jefferson had water connections to New Orleans. Through Big Cypress Bayou, Caddo Lake, the Red River and Mississippi, Jefferson was rather ideally situated to market goods in New Orleans.¹

Its rival, Shreveport, never approached that great interior market in their activities. Jefferson was in excellent position to attract the northern portion of the commercial activity that would otherwise have gone to the Galveston-Houston Area. The trade area centering around Jefferson, shipped out large quantities of cotton, wheat, hides and lumber.² These articles of trade fed into Jefferson on wagon trains, carts and ox wagons and were then shipped out on small streamers to New Orleans.³ An extensive flow from the north Texas region also came up by the Big and Little Cypress rivers. It is estimated that in the decade prior to the Civil War, as much as 25 per cent of the entire state trade passed through that town.⁴

¹Rupert N. Richardson, op. cit., p. 212.

²Harry Williams, op. cit., p. 8.

³Ibid., p. 9.

⁴Lewis W. Newton and Herbert P. Gambrell, op. cit., p. 29.

In the late eighteen thirties, a few steamboats managed to navigate the small log jams above Shreveport, and in the succeeding decade, more light-draught steam vessels plied the river near Red River County; while small steamers including one called the "Elizabeth" operated westward from Louisiana to Port Caddo, Texas on Cypress Bayou. Soon steamers pushed on beyond Port Caddo to Jefferson. One boat arrived in April, 1845, with more than 130 passengers. It is therefore not surprising that Jefferson shortly became an East Texas reception center for supplies and immigrants from the east, as well as an outlet for Texas efforts.⁵ Many persons coming into Jefferson used the Red River steamers, said by many to be the most comfortable operating in the Texas area. The statement is challenged by many because of the prominence of Charles Morgan and the Morgan steamship lines.⁶

In the history of the early commercial struggles in Texas, there is no story more pathetic than the rise and decay of the town of Jefferson. Before the railway era it was by far the largest city and trading center in North Texas, and second only to Galveston area shipping point.⁷ Cotton, wheat, hides and lumber, the staples of the north-east region of Texas, were brought to the wharves of

⁵W. R. Hogan, op. cit., p. 7.

⁶Ibid., p. 11.

⁷Lewis W. Newton and Herbert P. Gambrell, op. cit., p. 285.

Jefferson in slow moving wagon trains. The goods were then loaded on small steamers that threaded their way through the tortuous channel of the Big Cypress, across Lake Caddo, down the Red River or Sabine Pass to New Orleans and other commercial points.⁸ On the return trip, the steamers brought to Jefferson the manufactured goods of other sections and of foreign lands, which were distributed westward to Sherman, Dallas, Fort Worth and other frontier settlements. The wagon trains were so large that the roads leading from the west into Jefferson were so congested with vehicles, that passage was almost impossible.⁹ During the reconstruction however, Jefferson appeared to have lost most of the previous commercial prestige.

The Red River Route to Jefferson

The market sphere included the counties of Lamar, Fannin, Grayson, Upshur, Dallas and Tarrant. Occasionally, however, Dallas and Tarrant would use the Galveston-Houston ports.¹⁰ Coming down the Red River to Jefferson by way of the Sabine, were the planters, traders, and merchants from Lamar, Fannin, and sometimes Grayson counties. Lamar, a strong wheat and cotton county also had cattle for market. The planters here would come

⁸ Ibid., p. 284.

⁹ Ibid., p. 285.

¹⁰ Texas Almanac, 1857, Lamar County, p. 73; Grayson,

by steamboat or flatboat and some time by land in wagon trains.¹¹ The land route was not feasible however, because of the Indian threat. This area infested with Indians made river travel less hazardous. Lamar showed only a moderate amount invested in merchandise and lending. There were several flour mills in Lamar that grossed over \$4,000 annually. The total amount made from industry in 1850 was \$24,750.¹²

Fannin, also a strong wheat county, used the same route to Jefferson, although occasionally some merchants would do business in Shreveport. Fannin was second only to Cass County in amount of capital invested in merchandise and lending. Fannin County named for Colonel James W. Fannin, was a thriving area that listed several saw mills, and tanneries as industry in the area. Wheat, cotton, and stock raising were chief commodities of exchange.

Grayson County also a strong wheat, cotton and cattle region, generally hauled goods to Jefferson by ox wagons and carts. Formed in 1846, Grayson showed a capital investment of \$28,030 loaned out by lenders while merchandisers had invested \$33,000 in stores.¹³ Grayson divided her markets by transporting goods to Shreveport occasionally via the Red River. The larger commission

¹¹W. R. Hogan, op. cit., p. 11.

¹²U. S. Bureau of Census, Industry, 1850: Lamar, Fannin, Grayson and Hopkins Counties.

¹³State Comptroller's Tax Records, 1850-60, Grayson County.

merchants and merchandisers of this section were heavily concentrated near the market town, but began to decrease in prominence as they moved further in the interior.

Hopkins and Upshur Counties used the Jefferson market although they did not use the Red River route. The Hopkins merchants came to Jefferson bringing cattle, wheat, corn by ox wagons. The Upshur County planters and traders came the Little Cypress River into Jefferson on flat boats and keelboats. Staples for both of these counties were wheat, cotton and corn. The merchants were moderate, but the money lenders were few. Each of the counties had the usual artisan industries compliment by several flour and saw mills.¹⁴

Cass County, the home of Jefferson, showed the largest sum of capital invested.¹⁵ The Industrial activity here was mainly centered around flour mills, saw mills, tanneries and blacksmith shops.¹⁶ The slave population was heaviest at Cass County (Jefferson). The other counties' records showed only moderate numbers. The commission merchants were handling slaves through mortgage and exchange. A very low percentage of the interior lenders had land and slaves. In this sphere as in the

¹⁴Ibid., Hopkins County.

¹⁵Ibid., Cass County.

¹⁶U. S. Bureau of Census, Industry, 1850, Cass County.

other two, surplus capital that was made was used to develop more capitalistic ventures.

Inland Routes to Shreveport

The other part of this sphere was centered on the Shreveport, the second largest entrepot of Louisiana. The Red River, passing directly through, proved to be the life line of the Shreveport market. Named from Henry M. Shreve, a small capitalist whose boat, the "Enterprise," was the first to ascend the Red River. Shreveport was a very busy bustling town.¹⁷ Steamboats came into Shreveport from other parts of Louisiana, the southland, and occasionally other parts of the east with furniture, spices, china, wines and textiles in exchange for cotton, corn and hides. Cotton was the chief staple for this area.

Shreveport was complimented with the trade from two strong plantation counties in East Texas, Harrison, and Rusk. Harrison, watered by the Sabine and numerous other creeks, produced cotton, corn, wheat and fruit in abundance.¹⁸ The wild "game" abundantly consisting of deer, wild turkey, and ducks were readily accessible. Marshall, the county seat, was a flourishing town destined to gain

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Garnie W. McGinty, A History of Louisiana (New York: Exposition Press, 1949), p. 189.

18

Marcus Freeman, Jr., "Taxes and Slavery In Texas, 1845-1860," (Unpublished Master's Thesis, Prairie View A. and M. College, 1956), p. 28.

economic prestige in the years to come. Marshall containing large, well constructed public and private buildings, used the lakes of Benton and Fort Caddo as shipping points. Steam mills supplied the county with good lumber, while mail service and facilities were generally good.¹⁹

The planters and merchandisers ventured to Shreveport by road in wagons and carts, but used river steamers to transport other staples to New Orleans. Harrison County commission merchants and merchandisers invested rather sizable amounts in lending and merchandising. Most of the lenders owned land and slaves, a fact that typifies the plantation economy.

Since money was scarce, the use of barter and mortgaging and leasing slaves, was very prevalent in the area. The lack of banking facilities, other than those offered by the commission merchants, forced much of the business into barter exchange. One trader stated that he knew men in his neighborhood living comfortably who never saw five dollars in the course of a year. The account of George B. Erath, an Austrian-American, is typical. He traded clothes which he had brought from Germany for cattle and hogs; also a horse for corn. He tells of his partner, who gave an ox for a saw valued at five dollars,

a feather bed for three cows and calves, a gun for a mare, and another gun for a cow, calf, and yearling.²⁰ Commission merchants later did more business by using the mortgage system.

The merchants of Rusk County, another strong plantation area also ventured to the market town of Shreveport by slow dusty roads. Rusk County located in north-east Texas was named from General T. J. Rusk, secretary of war under Sam Houston. Incorporated as a county in 1845, town lots were being sold in Henderson for prices ranging from \$41.00 to \$225.00. In 1850, the population of Rusk was 8,148, with 6,013 whites and 2,136 slaves. This population was surpassed only by Harrison County with only 11,882 people. The average age of the head of a household in Rusk was 36-37 years of age with three to five children. Farming was first among professions listed, while merchants, lawyers and carpenters ranked close behind.²¹

Plantation Economy

In 1850, the census listed seventeen plantations containing ten thousands or more acres of land. General James Smith owned fifty-three thousand acres, the largest

²⁰Rupert Richardson, op. cit., p. 94.

²¹U. S. Bureau of Census, Occupation, 1850, Rusk County.

in the county at that time. Famous plantation homes were located not only near the County of Henderson, but all over the county area.²²

Although several famous plantations were located in the area, the beautifully spaced home of Julien Sidney Devereux was possibly the most famous. Called the "Monte Verdi," meaning green wooded area, this plantation was the show place of the county. Occupying 10,000 acres of land and 80 slaves, this mansion built by Devereux in the early 1850's stood as a monument to King Cotton and the agrarian economy in East Texas.²³

In September of 1851, his diary noted his corn harvest as occupying seventy wagon loads, made up of 35 bushels in each wagon, making a sum total of 2,450 bushels of corn. Operating on a big scale, Devereux recorded the names of forty one male slaves, and thirty three female slaves owned by him. The total number did not indicate a working force, because several were children and others were too old to do manual labor. The Devereux family frequently mentioned their slaves as being "Family Negroes" and took pride in the fact their Negroes were well treated.²⁴ At the "Monte Verdi," slaves were treated

²²Texas Almanac, 1857, Rusk County, p. 78.

²³Dorman Winfrey, A History of Rusk County (Austin: University of Texas Press, 1951), p. 45.

²⁴Ibid., p. 55.

with kindness, although Devereux was a strict task master. Scott and Tabby, two of the older slaves were mentioned with great affection in the Devereux papers.²⁵ Devereux acquired wealth through land speculation and slave holdings, however, some wealth came as results of his marriage to Adaline R. Bradley, a member of a wealthy Tennessee family. Before Julien moved to Rusk County, he operated the "Terrebonne" in Montgomery County and traded in Houston, the nearest market. Devereux did business with the Nichols and Rice Company, owned by the founder of Rice Institute, William Marsh Rice and Paul Bremond for whom the town of Bremond in Robertson County is named.²⁶

After moving to Rusk County, Devereux did business with the commission merchants in Rusk, Shreveport and New Orleans. Often Devereux would permit his slaves to cultivate the cotton and corn and receive the money from it. Commission merchant, Charles Vinzent of Mount Enterprise, sent Devereux \$300.00 to distribute to his slaves. Frequently he sold cotton to merchants at Mount Enterprise, Henderson and Shreveport. He owned two gins, and would usually gin for the smaller farmers in the neighborhood. Devereux, a money lender of prominence in Rusk County,

²⁵Julien Devereux Diary MSS. University of Texas Archives, Austin, Texas. Hereinafter cited the Devereux Papers.

²⁶Dorman Winfrey, op. cit., p. 59.

loaned and borrowed money. The following is a promissory note signed by Devereux in 1853:

On demand I promise to pay William Houston Adm, upon the Estate of E. H. Vaughn deceased two hundred dollars with ten per cent interest until paid this 8th of January, 1854.

Julien L. Devereaux²⁷

Often Devereux would send to the Shreveport merchandisers, bales of cotton in exchange for coffee, flour, Irish potatoes, cheese, fruit and heavy cloth for slaves to make clothes.²⁸ Julien Devereux typifies the average prosperous plantation owner by engaging in lending money, borrowing money, dealing with the commercial agents in the area, doing his own small manufacturing (ginning cotton) and mortgaging land and slaves. Devereux truly exemplifies the plantation capitalist of the fifties, a breed that further illustrates the evidence of the presence of small capital in our state during this period. Capital made from the plantation economy was used to engage in small private banking, small merchandising and in this instance home manufacturing.

Rusk County was second to Harrison County in sums of money invested in merchandising and money lending. There were fifteen manufacturers in Rusk County in 1850, which

²⁷ Devereux Papers, Devereux to Houston, January 8, 1854.

²⁸ Ibid., Devereux to Col. Johnson, January 15, 1853.

included a plough maker, saddler, blacksmith, cabinet maker and tinner. Charles Vinzent, a noted commission merchant in the area, made \$14,000 from his blacksmith shop and \$10,000 from his tin shop. The prosperity gained from his industrial ventures enabled him to be one of the leading merchants in the area. Rusk County citizens had invested \$25,520 in manufacturing in 1850, while making \$72,520 in profits.²⁹

The next East Texas County that used the road route to Shreveport was Panola. Located on the Louisiana border, the county is complimented by numerous springs and creeks, which flow into the Sabine River. The chief products were cotton and corn, though wheat and other grains flourished well. Peaches were abundant and flourished during favorable seasons. Corn was sold from fifty cents to one dollar a bushel. Stock raising was carried on to a considerable extent with cattle selling at \$7.00 per head. The market to Shreveport was 55 miles away by ox wagons.³⁰ There were several saw mills, tanneries and blacksmiths in the area.

The sum invested in merchandising was moderate, while the sum invested in lending was very small.³¹ The circulating medium was gold, silver, and Louisiana bank notes.

²⁹ U. S. Bureau of Census, Industry, 1850, Rusk County.

³⁰ Texas Almanac, 1857, Panola County, p. 80.

³¹ State Comptroller's Tax Records, Panola and Hunt Counties, 1850-1860.

Hunt County, an interior county of East Texas, was less plantations in its make up than the previous two. Also a strong cotton producer, Hunt ranks below the others in capital invested in merchandising and lending. Ox wagons were used to transport the staples to shreveport 155 miles away. There were a number of mills, some of which turned out excellent articles of flour, which were sold in the southern and eastern parts of the United States.³²

Sabine River Route to New Orleans

New Orleans, the commercial center of the South, was recipient of planters, traders and merchants from many parts of the world, including the East Texas counties of Smith, Shelby, San Augustine, Sabine, Newton, Jasper, Orange and Jefferson.³³ There were other East Texas counties that traded directly with New Orleans but used other trade routes.

New Orleans, located just off the Gulf of Mexico, was the focus for most of the economic activities in Texas, Louisiana and parts of the South. The steamboat made it one of the famous river ports of the world. Her commercial

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Texas Almanac, 1857, Hunt County, p. 69.

³³

State Comptroller's Tax Records, 1850-1860; Smith, Shelby, San Augustine, Sabine, Newton, Jasper, Orange, and Jefferson Counties.

connections extended to all parts of the world, therefore giving her a cosmopolitan atmosphere. Commercial and economic prosperity made possible many social improvements. New Orleans paved its streets, built water works, and lighted itself with gas about the time other cities of comparable size were doing these things. Its public buildings, churches, hotels, theaters, and restaurants developed a world wide reputations, and certainly ranked with those of any other in the country.³⁴ Smith County, located toward the interior of East Texas, was noted for its fertile red soil. Planters in the area raised cotton, corn, fruits and some hides. The merchandisers and money lenders were small but the towns were quite thriving. Lumber and grist dominated the industrial life of the county.

Shelby County, located on the border of Louisiana just off the Sabine River, had nine lenders with \$1,865 loaned out in 1850, and 18 lenders with \$16,085 loaned out by 1859. The merchandisers invested only \$8,660 in retailing and wholesaling, the highest amount recorded for the 1850 decade.³⁵ Cotton and corn were the staples, although this was not considered a strong plantation county. In 1850, there were 791 Negroes and by 1859, there

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Garmie W. McGinty, op. cit., p. 193.

³⁵

U. S. Bureau of Census, Industry, 1850, Shelby County.

were 1,255. The persons who loaned money generally owned land and slaves.

San Augustine County, noted for its early beauty, traded cotton, corn and lumber directly with New Orleans. The commission merchants and lenders were quite numerous in this plantation economy area. The commission firm of L. W. Blunt and Company controlled for a period most of the mortgages and property exchange in the area. The Blunt Company, a corporation type of lending institution, mortgaged and traded many slaves for planters and traders throughout the area. One San Augustine County bill of sales noted the mortgage of four slaves, for a sum of \$950.68.³⁶ The slaves' ages varied greatly for York, a man of dark complexion was forty years, while the others, were children between the ages of six and eight. Business of this type were prevalent throughout Texas. Commission merchants mortgaged slaves, property, implements, foodstuff and staples in exchange for other necessities. Failure to meet the debt meant total loss.

A visitor to San Augustine during the fifties would notice the beautifully designed plantation house of Col. L. W. Blount, with its Doric columns and Greek features. The visitor would see surprisingly few marks of frontier crudity.³⁷ The capital invested here in merchandising

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San Augustine Deed Record G, p. 238.

³⁷

W. R. Hogan, op. cit., p. 265.

and lending was relatively high.

The counties of Sabine and Newton also used the Sabine River route to the Gulf. Sabine County had 13 manufacturers who engaged in lumber milling, tanning and cabinet making while Newton listed six who made \$2,000 annually. The lenders and merchandisers were small.

Orange County, often classified as one of the medium counties because of the quality of its land, offered timber and prairie lands in abundance. Located between the Neches and Sabine Rivers, fruits, cotton, sugar, lumber and potatoes are staples.³⁸ There were four saw mills and a ship repair company hailed as the best in the state. The merchandisers and lenders were small. Only \$4,867 was invested in lending while \$1,360 was invested in merchandising.

Jefferson County located at the throat of Sabine just below Orange, was named from Jefferson Beaumont, a prosperous merchant from Natchez, Mississippi. Producing cotton, rice, fruits, lumber and corn, the Jefferson planters used steamboats to travel the Gulf.³⁹

In 1850, there were four factories including a lumber mill and a shingle shop. By 1860, there were several mills, saddle shops, tanners and blacksmith shops.⁴⁰ The money

³⁸Texas Almanac 1857, Orange County, p. 79.

³⁹Ibid., Jefferson County, p. 58

⁴⁰U. S. Bureau of Census, Industry, 1850, Jefferson County.

lenders were extremely small but the merchandisers were rather medium in capital invested.

Angelina-Sabine Route to New Orleans

Nacogdoches County, long a stopping point for travelers, merchants, traders and military men, was located near the Angelina River. Well stocked with pine, oak, hickory, walnut and ash gum, Nacogdoches was one of the oldest towns in the state.⁴¹ A stop off point for the famous old Spanish road "Camino Real;" Nacogdoches was one of the strong trading centers even before the "50" era. Cotton and corn, the chief staples, were sent to the Gulf by flatboats, then to New Orleans by steamboat. There were several industries present in Nacogdoches ranging from flour mills, grist mills, wagon makers, blacksmiths and bakers.⁴² By 1859, merchandisers had invested \$48,426 in goods, while money lenders had loaned \$60,194 out to borrowers.⁴³

A third of the lenders in Nacogdoches owned neither slaves nor land, a trend that appears to be true in well traveled areas.

⁴¹Texas Almanac 1857, Nacogdoches County, p. 78.

⁴²U. S. Bureau of Census, Industry 1850, Nacogdoches County.

⁴³State Comptroller's Tax Records 1850-1860, Nacogdoches County.

Red River to New Orleans

The two extreme northeast Texas counties of Red River and Bowie, used steam navigation to the Crescent City. Having large cotton acreage and a considerable number of slaves, Red River and Bowie lenders varied greatly in capital loaned out. Red River lenders loaned \$23,839 in 1857, while Bowie County lenders had a considerably less amount out at \$7,240.⁴⁴ Both areas had sizable amounts invested in merchandise but showed little in manufacturing pursuits. There were flour mills, grist mills, tanneries and blacksmith shops.⁴⁵ The general tone of the area implied a strong frontier economy with cattle and Indians.

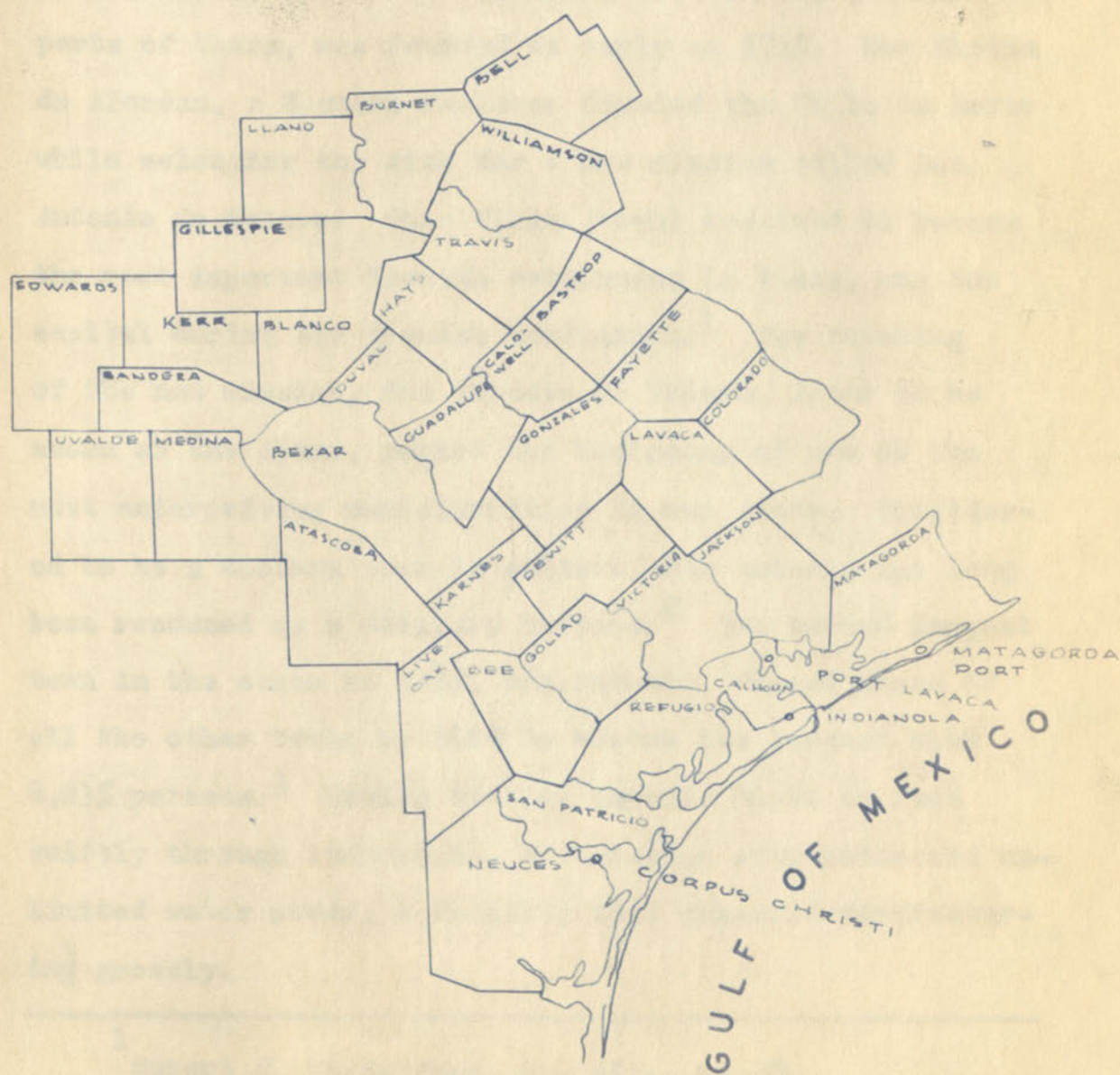
This sphere again illustrates the advent of industrial awareness on the part of the early Texan. From the plantation's economy of Rusk and Harrison Counties to the lumber and wheat economy of Lamar and Fannin Counties the pioneers of Texas sought to engage more and more in private banking, merchandising and small manufacturing. This consciousness enabled the Vinzent, Devereux and Blounts to become early capitalists. Capital although small, was developed from the plantation economy so prevalent in this market area.

⁴⁴ State Comptroller's Tax Records 1850-1860, Red River and Bowie Counties.

⁴⁵ U. S. Bureau of Census, Industry, 1860, Bowie and Red River Counties.

SAN ANTONIO-GULF AXIS, MARKET AREA

BASIC STAPLES: COTTON, CORN, CATTLE & SHEEP



CHAPTER IV

THE SAN ANTONIO GULF AXIS

San Antonio, the apex of commercial illumination for predominately all of the central, western and southern parts of Texas, was founded as early as 1718. Don Martin de Alorcan, a Spanish explorer founded the Villa de Bexar while selecting the site for a new mission called San Antonio de Valero. This Villa (town) destined to become the most important Spanish settlement in Texas, was the capital during the Spanish domination.¹ The founding of the new mission, San Antonio de Valero, later to be known as the Alamo, marked the beginning of one of the most enterprising municipalities in our state. Considered to be a western town in culture, San Antonio has long been renowned as a military outpost.² The second largest town in the state in 1850, San Antonio, forged ahead of all the other towns by 1860 to become the largest with 8,235 persons.³ Having the San Antonio River to flow swiftly through its portals, the mission city possessed unlimited water power, a facility that enhanced manufacturing greatly.

¹ Rupert N. Richardson, op. cit., p. 28.

² Jacob De Cordova, op. cit., p. 268.

³ Rupert N. Richardson, op. cit., p 223.

Shortly before the Civil War, the city was in the first stages of a metamorphosis from a Mexican village to a city.⁴ By 1867, the one story flat roofed houses of Mexican origin had begun to disappear. The pride of San Antonio during this period, was the Menger Hotel, which opened in 1859. This building of fine cut stone, two and one half stories high together with its carpets, decorations, and beautiful furniture cost \$16,000. Only wealthy people and professional travelers patronized hotels; the rank and file put up at the wagon yards. San Antonio's streets were described as almost impassable in bad weather, but by 1857 the city had spent \$1,200 for improved streets and bridges. By 1860, the town had a fire association that installed gas lights.⁵

Long considered the commercial depot for the country beyond the Rio Grande, it was a place of considerable business, evidenced by the fact there were many store keepers who had accumulated handsome fortunes.⁶ The population at this time may be classified as consisting of one-third American, one-third German and one-third Mexican, while the slave population was exceedingly small.⁷

San Antonio was the foot of the "Old Kings High-

⁴Robert Sturmberg, op. cit., p. 114.

⁵Rupert N. Richardson, op. cit., p. 224.

⁶Jacob De Cordova, op. cit., p. 268.

⁷Robert Sturmberg, op. cit., p. 114.

way" or "El Camino Real," an old Spanish road that extended across Texas to Natchitoches, Louisiana, passing through Bastrop, Crockett and Nacogdoches.⁸ Historically, the road was an institution, a regulation for missions and military powers, for forts and commercial enterprises. It was a land medium, between Mexico, Texas and Louisiana. With new roads leading to San Antonio from El Paso and Chihuahua, much of the trade was diverted in from St. Louis. The uncertainties of river traffic forced traders into San Antonio by using a road from Red River County through Dallas, Waco and Austin, called the "Old Military" road. Another important road was the one leading from Indianola in Calhoun County.⁹ These roads almost impossible at times, were muddy and slushy during the rainy season and rocky and bumpy during the dry season.¹⁰ A large part of the San Antonio trade was carried by freight wagons, usually drawn by three to eight yokes of oxen or less often by horses or mules. One author noted that the oxen had several advantages. Their hoofs did not sink into the mud as readily as those of horses and mules; the oxen cost less and they could subsist almost entirely on prairie grass. The trip to the seaport market often required weeks and months at a time.¹¹ One

⁸ Lipsecomb Norvell, op. cit., p. 25.

⁹ Rupert N. Richardson, op. cit., p. 214.

¹⁰ W. R. Hogan, op. cit., p. 66.

¹¹ Ibid., p. 67.

trader, who freighted from San Antonio to Chihuahua in the fifties, said: "these huge wagons were loaded with an average of 7,000 pounds, and that it took from ten to twenty mules or horses or from twenty to thirty oxen to draw them."¹² Mexican freighters coming in to San Antonio used carts, and there are accounts of trains of as many as 150 carts in the San Antonio area.

Teamstering or Freightage was carried on by men who owned their wagons or who worked for half the profits. Wagons drawn by three yokes of oxen could transport about three thousand pounds; they carried freight at one dollar per hundred pounds and returned with six bales of cotton.¹³

Freight rates varied with the weather and season, standard charge was about one cent per mile.¹⁴ Stage coach service extended from San Antonio to Powderhorn, Eagle Lake, Eagle Pass, and San Diego, California.¹⁵

Inland Routes to San Antonio

San Antonio served as a direct entrepot for surrounding interior counties. The city served counties as far north as Lampasas and Bell, as far south as Nueces, as far west as Edwards, and as far east as Caldwell.¹⁶

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Rupert N. Richardson, op. cit., p. 214.

¹³W. R. Hogan, op. cit., p. 69.

¹⁴Rupert N. Richardson, op. cit., p. 215.

¹⁵Texas Almanac 1856, p. 56.

¹⁶State Comptroller's Tax Records 1850-1860, Bell, Medina, Bexar, Bandera, Edward, Gillespie, and Travis Counties.

Planters coming in from the German County of Gillespie brought coal, iron ore, and limestone in ox wagons in exchange for cotton, corn and hides. Stockraisers coming from Bandera and Medina exchanged hides and horses for foodstuffs and clothing. Bell County, located deep into the interior near Waco, was a strong cotton county that used the San Antonio market via the "Old Military Road." The merchandisers in Bell were rather strong but the private lenders were few. The Medina County merchants and traders came to San Antonio by roads using ox wagons to bring their kegs of beer. Medina was also heavy in cattle.

Caldwell County, a strong cotton¹⁷ section, marketed at Port Lavaca but occasionally came to San Antonio by road. There the private lenders and store owners were moderate.

Bastrop,¹⁸ possibly the largest producing area around San Antonio, supplied San Antonio, Austin and surrounding areas with lumber and cotton. The wood from Bastrop was hauled by mules and oxen to San Antonio and Lavaca. Cattle, horses and cotton were in abundance, although pine and oak were the largest sources of wealth. Bastrop listed the largest number of saw mills in the area. Comal County, another German County exchanged wool,

¹⁷ Marcus Freeman, op. cit., p. 34.

¹⁸ Texas Almanac 1856, Bastrop County, p. 55.

cotton, and corn with San Antonio merchants, while Travis County, to the north of Bexar, supplied small cotton and corn. Travis was chiefly composed of merchants, mechanics, and professional men.¹⁹

Market Depots

The coastal depots for the San Antonio market were the port towns of Port Lavaca, Matagorda, Indianola, Powderhorn, Port La Salle and Corpus Christi. Located in Calhoun County, Port Lavaca, Indianola and Powderhorn were formidable commercial rivals. Matagorda Bay, located in Matagorda County, was also a rival of the Calhoun County ports, while Corpus Christi having modest activity was not considered in the rivalry.

Calhoun County, created from Victoria and Jackson in 1864, has been given importance by its ports navigable harbors and rivers.²⁰ In 1850, Indianola was reported second to Galveston in port activity, and by 1857 Port La Salle and Port Lavaca were important ports of entry on this bay; both were shipping ports for large quantities of cattle, hides and cotton. The British Consulate report noted heavy shipping activity with foreign countries from La Salle.²¹

¹⁹Historical Review of South-East Texas, p. 366.

²⁰Texas Almanac 1857, Calhoun County, p. 59.

²¹British Consulate Correspondent, Quarterly Report, Vol. 504, Report 177.

Matagorda County, another strong port for the San Antonio market area is said to be an exceptionally fertile area. The lands within the limits of this county were generally level, consisting mainly of rich bottom land and prairie. The bottom lands were especially adapted to the cultivation of sugar cane, cotton, corn and rice. Within the limits of this county the Colorado River emptied itself into the Gulf of Mexico through Matagorda Bay.²² The goods coming into Matagorda Bay down the Colorado were often shipped to New Orleans, New York, and Bremen. Cotton, corn, wool, cattle and pecans were generally the great staples going out.²³

Colorado River Route

Coming down the Colorado River trade route into the bay, were the counties of Lampasas, Burnet, Travis, Bastrop, Fayette and Colorado.²⁴ The largest group of merchandisers were in Fayette County, while the next largest were in Bastrop and Colorado Counties. The staples brought down were carried in steamboats and flatboats. The staples were cotton, corn, wool and beef hides. These goods were usually exchanged for foodstuff,

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Historical Review of South-East Texas, p. 443.

²³

Jacob De Cordova, op. cit., pp. 281-283.

²⁴

State Comptroller's Tax Records, 1850-1860, Burnet, Travis, Bastrop, Fayette, Matagorda and Colorado Counties.

tobacco, coffee, earthenware. The medium of exchange during this period was the mortgage or barter type. A planter or trader would receive goods only after mortgaging property or by exchanging goods, for goods. The money lenders on this trade route were the heaviest in Colorado and Bastrop Counties; a rather unusual trend since both of these counties were inland sections. This was attributed to the fact that both of these counties were enterprising. Bastrop with its lumber, cotton and commission merchants, and Colorado with its strong corn, cattle, cotton and surplus, afforded the lenders more opportunities to invest and feel safe in their investments.²⁵

Manufacturing along this route was rather extensive. Bastrop boasted six saw mills, a liniment maker, a shingle maker and a wagon maker by 1860, while the other counties showed blacksmiths, tanners and cotton ginnerers. J. C. Higgins, a farmer owning a saw mill in Bastrop, grossed \$30,000 from the sawmill, while Irenne Cyrenne made \$5,000 from the sale of liniment. The manufacturers in Bastrop County alone grossed \$82,475 in 1850 and \$185,000 by 1860.²⁶ Industrially our economy was coming alive, because

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Texas Almanac 1856, Bastrop County, p. 55.

²⁶

U. S. Bureau of Census, Industry, 1860.
Bastrop County; Vera L. Dugas, "Texas Industry 1860-1880,"
Southwestern Quarterly, Vol. LIX, No. 2 (October, 1955),
p. 151.

the agrarian base was constantly pumping and motivating mercantile, banking and small manufacturing pursuits.

The Guadalupe River Route Port Lavaca

Using the trade route to Port Lavaca by the Guadalupe River were the counties of Comal, Guadalupe, Gonzales, Dewitt and Victoria.

The interior county of Comal, claimed the largest sum of money loaned out by private lenders in this route area.²⁷ Comal, a German County noted for its thrift and industriousness claimed at this time very few Americans. New Braunfels, the county seat had many shops and stores, while also affording opportunities for sheep raising and wool producing. The manufacturing ranged from a beer brewery to a soap house. In 1860, a total of fourteen corporations grossed \$102,545 from products made.²⁸

Guadalupe County having a rather sizable amount invested in merchandising and lending, had as the staples cotton, cattle and corn. Victoria County located nearest to the port city was also a cotton, corn and cattle county. The merchants and lenders of Victoria would fall in a small lending and merchandising class. The Jackson County merchants, cotton planters and stock raisers used the Texana River into Port Lavaca. This was a rather heavy

²⁷ State Comptroller's Tax Records 1850-1860, Comal County.

²⁸ U. S. Bureau of Census, Industry 1850, Comal County.

cattle area with many heads being shipped to Cuba, Louisiana and points east.²⁹

The Corpus Christi Depot

Another approach to a minor seaport, was the one used by the San Patricio merchants to Corpus Christi in Nueces County. San Patricio, thinly populated, afforded little opportunity to invest money either in manufacturing or money lending. Nueces County however, showed \$14,080 invested in merchandising, a rather notable amount considering the population and resources.³⁰

The San Antonio River Route

The merchants, planters and traders of Bexar County or more specifically San Antonio, marketed their goods, material and products brought to them from the interior counties at Port Lavaca, by way of the San Antonio River. San Antonio being an entrepot town had merchants investing \$336,900 in merchandising. The commission merchants and private bankers had loaned out only \$13,240 by 1859.³¹ Being the most traveled through town in the state, San Antonio offered the largest assortment of goods of any town in Texas. Industrially San Antonio had a woolen

²⁹ Walter P. Webb, The Great Plains (Boston: Ginn and Co., 1931), pp. 210-212.

³⁰ State Comptroller's Tax Records 1850-1860, Nueces and San Patricio Counties.

³¹ Ibid., Bexar County.

factory that grossed \$15,000, a flour and grist mill that grossed \$13,440 and several blacksmiths making \$4,000 and above.³²

Goliad, the other county located near the San Antonio River, had several stores with small sums of money invested in merchandising. The private lenders on the other hand loaned out rather sizable amounts.³³ Merchants and planters carried their goods by road to San Antonio and by way of the San Antonio River to Port Lavaca. The staples included hides, cotton and corn.

There were three elements of difference in the area that were not present in the Galveston area. They were:

1. The goods carried to market for export were varied. For example: The commerce at Matagorda Bay showed cotton to New Orleans and New York, while wool, cattle, horses, pecans, saddles and lumber to Bremen.
2. This section showed extensive merchandising and money lending in the interior counties.
3. This section showed fewer slaves, less cotton and rather heavy cattle and sheep raising.³⁴

The gross value and diversity of the manufacturing in

32

U. S. Bureau of Census Industry 1860, Bexar County.

33

State Comptroller's Tax Records 1850-1860, Goliad County.

34

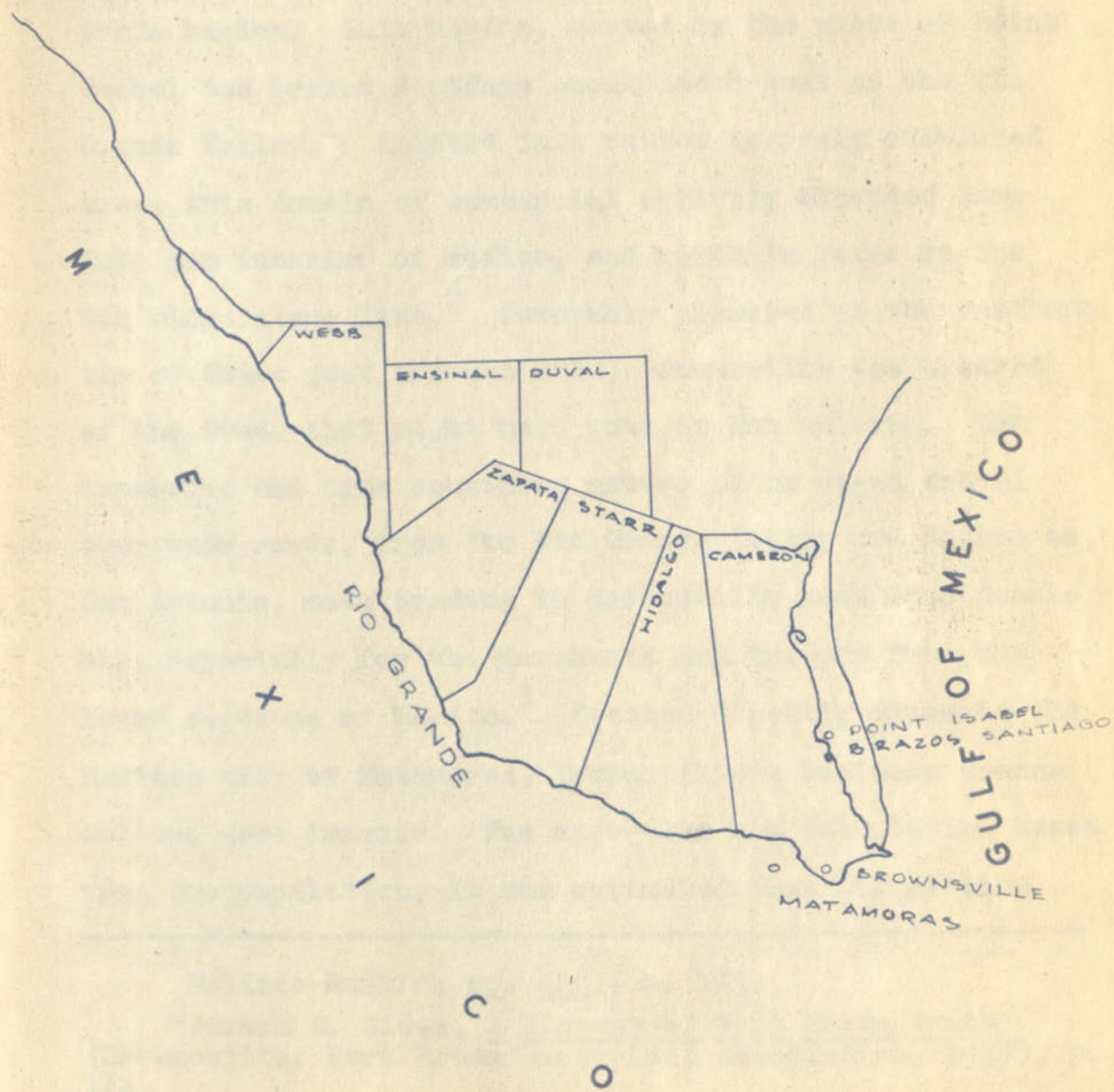
Charles W. Ramsdell, "The Natural Limits of Slavery Expansion," The Southwestern Historical Quarterly, Vol. XXXIII, No. 2 (October, 1929), pp. 91-100.

the area decisively announced the pre-eminence of a small commercial class, a class that grew because of the surplus made from an agrarian economy.



BROWNSVILLE MARKET AREA

BASIC STAPLES : HIDES, COTTON & CORN



THE BROWNSVILLE-MEXICAN ENTREPOT

Another great trading sphere that gave great stimulus to the development of native capital, was the Brownsville trade region. This region, served by the ports of Point Isabel and Brazos Santiago encompassed most of the Rio Grande Valley.¹ Located in a rather sparsely populated area, this domain of commercial activity extended deep into the interior of Mexico, and north in Texas to the San Diego stage line.² Favorably situated at the southern tip of Texas just off the Gulf, Brownsville was assured of the trade that might have gone to San Antonio. The expensive and time consuming nature of ox wagon travel over poor roads, from the Rio Grande Valley and Mexico to San Antonio, made trading in Brownsville much more feasible, especially for the merchants and traders from the lower sections of Mexico.³ Located directly opposite the Mexican city of Matamoras, Brownsville's business transactions were immense. Far exceeding any calculation based upon the population, it was estimated that six million

¹ Melinda Rankin, op. cit., p. 187.

² Joseph C. Sides, A History of Fort Brown Texas (Brownsville: Fort Brown Historical Association, 1947), p. 17.

³ Harry Williams, op. cit., p. 29.

dollars worth of goods were received there during one year in the early fifties.⁴

So great was the increase of trade between Brownsville and the interior of Mexico, that the two ferries between Brownsville and Matamoras, rented in one year for less than \$100.00, but rented the next for \$9,000.⁵ There was trade with Vera Cruz and Tampico, Mexico and by the mid-fifties, Brownsville was recognized as the great gateway of entrance into Mexico from Texas, and also the gateway into Texas from Mexico, eventually taking the business entirely away from Matamoras.⁶

Brazos Santiago

The port of Brazos Santiago was the port through which most of the Mexican trade came. Authoritative sources estimated about \$4,000,000 worth of imports from Mexico entered the port in 1859.⁷ Traders and merchants from Vera Cruz and Tampico transported their goods along the long, hot dusty roads in ox-wagons and carts. Other merchants from the middle sections of Mexico used the Rio Grande River as a trade route. These merchants came in steamboats and small flatboats with

⁴ Melinda Rankin, op. cit., p. 190.

⁵ Ibid., p. 198.

⁶ Ibid., p. 192.

⁷ Harry Williams, op. cit., p. 32.

their freights of pottery and tin ware, while taking back freights of corn, cotton, hides, wool and manufactured articles from foreign ports.⁸ Brazos Santiago, the only harbor of any note, other than Point Isabel, between Indianola and the interior Mexican cities, had for a long time held a monopoly on goods consigned to the mining districts of northern Mexico.⁹

Point Isabel

The other prominent port near Brownsville was Point Isabel. Point Isabel engaged primarily in foreign trade. An investigation of the imports coming into this port revealed trade with Great Britain, France and the commercial centers in the East. Ships from Liverpool, England, arriving in 1850, brought in brandy, swords, muskets, and assorted merchandise, while outgoing ships carried out large quantities of "ballast" (broken stones, gravel or cattle) and Indian corn.¹⁰

Cameron County

Brownsville was in Cameron County, a county created in South Texas in 1848.¹¹ Cameron County was named from

⁸ British Consulate Correspondence, Lynn to British Government, Letter 185, February, 1850.

⁹ Joseph C. Sides, op. cit., p. 117.

¹⁰ British Consulate Correspondence, Quarterly Report, Vol. 141, Report 155.

¹¹ Historical Review of South-East Texas, p. 368.

Ewen Cameron, a wealthy Scottish adventurer. Ewen Cameron, leader of a small band of Americans, fought the Mexicans along the border during the war with Mexico. After being captured by the Mexicans, Cameron was killed by Santa Anna, thus becoming somewhat of a martyr in South Texas.¹²

Cameron County not favored with very fertile soil, was most adaptable to cattle and sheep raising. The Negro population was very small during the fifty era. The records show twenty Negroes in 1850, but only one by 1859. Investigation showed 41 money lenders had loaned out \$144,480 in 1850, but by 1857 there was only one lender with \$5,000 out.¹³ The merchandisers were heaviest during the mid-fifties. Sources revealed a total of \$206,540 invested in merchandising during the year of 1857. Cattle and horses were very much in abundance, signifying heavy stock and hide trade.

There were several prosperous farmers in the county. Many owning farms valued upward to \$70,000 or more. Neither of these however, produced cotton, but each owned livestock, ranging in value from \$2,000 to \$40,000.¹⁴

A total of \$6,600 was invested in four factories in

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Z. T. Fullmore, History and Geography of Texas as Told in County Names (Austin: Steck Co., 1915), p. 288.

¹³

State Comptroller's Tax Records 1850-1860, Cameron County.

¹⁴

U. S. Bureau of Census, Agriculture, 1860, Cameron County.

the county. One wheelwright made as much as \$6,000 from repairs made on carts and wagons.¹⁵

Cameron, in affording such vast trade, attracted the famous banking firm of McKinney and Williams, who established in Brownsville, the second Texas branch of the commercial and agricultural bank. Having received the charter to bank from the Mexican government, the McKinney and Williams' firm was quite popular and very busy. The fact that the Williams company established itself in Brownsville to serve the Mexican interest, typifies the enormity of the Brownsville trade.¹⁶

Texas Road Route Into Brownsville

Although Brownsville received most of its trade from Mexican and foreign interest, it also served as a market for a few of the small sparsely inhabited counties in South Texas. The counties of Hidalgo, Starr, Zapata and sometimes Duval also marketed their meager commodities in Brownsville. The small traders from these counties moved into the market by road, using ox wagons and carts. Sources revealed only one money lender in Hidalgo County from 1856 to 1857, who loaned \$750 and \$960 in respective years. The other counties of Starr, Hidalgo, Zapata and

¹⁵ U. S. Bureau of Census, Industry, 1860. Cameron County.

¹⁶ Avery L. Carlson, op. cit., p. 13.

Duval had no lenders listed.¹⁷ Merchandising was extremely small and manufacturing was non-existent.¹⁸

This trade sphere was distinctly different because of these factors:

1. The location of the market off the Rio Grande and the Gulf of Mexico afforded almost exclusively Mexican trade.

2. This region denotes the smallest population in the state (Whites and Slaves).¹⁹

3. The diversity of the exported goods, such as: beef hides, corn, ballast, wool and cotton.

The Brownsville area was a strong entrepot because of the large trade intercourse developed with Mexico. The merchandisers and small manufacturers grew in this trade center, to serve merchants as they engaged in agrarian exchange.

17

State Comptroller's Tax Records 1850-1860. Hidalgo, Starr, Zapata and Duval Counties.

18

U. S. Bureau of Census, Industry, 1850. Hidalgo, Starr, Zapata, and Duval Counties.

19

Galveston Weekly, March 10, 1856.

SUMMARY AND CONCLUSION

The basic question to be answered in this study was centered around the economic value of the plantation economy, as it was related to the general economy of Texas before the Civil War. The question is: Did slavery freeze the capital of the planter or drain away the capital of the South, and thus destroy opportunity for expression of the creative entrepreneurial impetus?

In attempting to reach a valid conclusion on Texas alone, the writer has endeavored to present the salient facts concerning the geography of various regions in Texas, the natural water courses as transportation arteries, early roads, small personal banking, small manufacturing and early merchandising. Several geographic factors have served as a broad base upon which the agricultural, mercantile and commercial developments have been constructed. These factors include location, fertility of the soil, climate, water supply and mineral resources.

The state of Texas was divided into four major trading spheres, that included: The Galveston-Houston market which extended from the Neches River, eastward to the Colorado River on the west; the San Antonio market, that covered the western interior including the ports of Lavaca, Indianola and Matagorda; the Jefferson-Shreveport-

New Orleans market that included parts of northeast Texas; and the Brownsville market that included a small portion of South Texas and the lower interior of Mexico.

Chapter II was dedicated to the historical background of the study summarizing the agrarian economy of Texas during the Republic and the decade before the Civil War. A review was made of the early merchandising, manufacturing and banking, with emphasis upon early trade routes.

Chapter III introduced the commercial stage of the Texas economy, out of which small native capital found it possible to emerge in the form of money lending, merchandising and rudimentary manufacturing. Section I deals with the Galveston-Houston market, the largest and most important in the state during this period. The magnitude of the trade led to the establishment of the commercial and agricultural bank. Being patronized by the major foreign powers for agrarian staples, cotton and corn, the Galveston market illustrates that the agricultural economy was the pillar upon which the manufacturing, merchandising and small banking rested, thereby developing native capital.

Section II dealt with the Jefferson-Louisiana area, by reviewing the business activities in the northeast and southeast counties. This section was also noted for its wheat and lumber.

Chapter IV, the vast San Antonio area with its diversity of population, manufacturing and staples, was discussed.

The presence of small capital in this area ushered in the pre-eminence of the commercial class, a class that grew because of surplus made from an agrarian economy.

Chapter V deals with the Brownsville-Mexican complex, an area that was outstandingly unique because it thrived upon the Mexican trade almost exclusively.

These market areas served to point up the development of native capital in our state before the Civil War. The capital, while never competitive with the extensive capital outlays from the eastern United States and Europe, which was the main subsidy of the frontier economy, clustered around the production and movement of staples to planters and farmers along the frontier. Therefore the rudimentary agrarian pursuits of the pre-Civil War, facilitated the rise of native capital in our state.

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Dallas County 1850-1860
Dewitt County 1850-1860
Fall County 1850-1855

Fort Bend County 1850-1860
Freestone County 1851-1860
Galveston County 1850-1860
Gonzales County 1850-1860
Goliad County 1850-1860
Grimes County 1850-1855
Guadalupe County 1850-1860
Harris County 1850-1860
Harrison County 1850-1855
Jackson County 1850-1859
Jasper County 1850-1860
Jefferson County 1850-1859
Lavaca County 1850-1860
Lamar County 1850-1859
Leon County 1850-1860
Liberty County 1850-1860
Matagorda County 1850-1860
Medina County 1850-1860
Milam County 1850-1860
Nacogdoches County 1850-1860
Newton County 1850-1860
Nueces County 1850-1860
Orange County 1850-1860
Folk County 1850-1860
Robertson County 1850-1860
Rusk County 1850-1860
Sabine County 1847-1860
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Smith County 1850-1860
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British Consulate Correspondence

Letter 153 - Vol. 476

Her Majesty's Consulate
Galveston 27, 1857

Sir:

I have the honor to enclose a return, in duplicate
of the prices of British Goods, Cotton and Hides at the
Port of Galveston for the quarter ended Dec. 31, 1856--
also a return in duplicate of the British trade at the
Port of Galveston during the year the list of Imports
and a Gross return in duplicate of the British and
Foreign trade at the Port of Galveston during the same
year.

Arthur Lynn

APPENDIX I

British Consulate Correspondence

Letter 153 - Vol. 476

July 16, 1847
Galveston
Her Majesty's Consulate
Galveston 27, 1847Dear Sir:
I may now be considered to be
Sir:

I have the honor to enclose a return, in duplicate of the prices of Indian Corn, Cotton and Hides at the Port of Galveston for the Quarter ended Dec. 31, 1846--also a return in duplicate of the British trade at the Port of Galveston during the year the 31st of December; and a Gross return in duplicate of the British and Foreign trade at the Port of Galveston during the same year.

Arthur Lynn

APPENDIX II

Letter to S. M. Williams from Thomas McKinney--MSS

July 16, 1838
Galveston

Dear Sam,

I may now be considered to be anchored here (in Galveston) . . . Our prospects are for the most flattering of all the merchants in Texas for shipping the present year's crop. The eyes of all Texas are now turning toward this point and we will be able to sell an immense amount of goods here at fair price. So that we can ultimately make something like a monopoly of the best business of the country.

Thomas McKinney

Appendix III

AN EXAMPLE OF THE STATE COMPTROLLER'S TAX RECORD

COUNTY - ORANGE 1855

NAMES	LAND	NEGROES	HORSES	CATTLE	MONEY AT INTEREST	TOTAL VALUE	STATE TAX	COUNTY TAX
Aaron Ashworth	1,476	3-2000	10-500	40-280	3,300	12,428	20.28	10.14
A. J. Black	83-300		10-400	75-525	578	2,703	3.65	1.32
Charles Hunter					100	400	1.10	.55
Absalum Jett	100-350		12-240	120-960	450	2,175	3.36	1.68
Elizabeth Johnson			1-150		750	900	1.35	.67
Leroy Pattillo	320-160			11-100	250	510	1.39	.69
Abram Winfrey	2,000 1,000	5-2300	19-190	200-2000	350	4,840	7.43	3.76

VITA

WILLIAM C. AKINS

- 1932 Born Austin, Texas
- 1950 Graduated from Anderson High School,
Austin, Texas
- 1954 Graduated from Huston-Tillotson College,
Austin, Texas
- 1956 Began teaching experience at Booker T. Washington
High School
Marlin, Texas
- 1959 Began teaching experience at the L. C. Anderson
High School
Austin, Texas
- 1960 Began work on M. A. Degree at Prairie View
A. and M. College
Prairie View, Texas